FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 147 *30 July 1982*

ARGENTINA

Bignone Becoming Provisional President Studied B 1
Bignone Ready for Area Presidents' Meeting B 1
Menendez Interview on Falklands Surrender B 2
[SIETE DIAS 28 Jul-3 Aug]
IMF Official Blanchet Comments on Visit B 5
Army Reassigns Officers Who Participated in War B 6

BOLIVIA

New Industry and Commerce Minister Resigns C 1
Resignation Justified C 1
President Appoints Ministers, Affirms Elections C 1
Interior Minister Rojas on 1980 Congress C 2
Cabinet Rejects Reconvening of 1980 Congress C 2
Political, Civilian Unrest, Pressure Continues C 2
President To Attend Colombian Inauguration C 3
Decision To Abandon International Tin Council C 4
Briefs: Finance Ministry Under Secretaries; C 4
New Energy Under Secretary;
Information Ministry Under Secretary;
YPFB Manager Resigns;
Military Household Chief Designated;
Transport Minister Installed

CHILE

Improved Relations With Argentina Desired E 1

COLOMBIA

FARC on 'Open, Broad' Dialogue to Seek Peace F 1
Paper Reports Incident With Venezuelan Troops F 1

PERU

President Belaunde's Independence Day Speech J 1
Terrorists Try To Interfere With Belaunde Speech J 6
Bomb Explodes Near Presidential Reviewing Stand J 6

VENEZUELA

Herrera Meets With Colombia's Turbay Ayala L 1
Area Power Struggle L 1
President Stops Order for British Airplanes L 2
Briefs: Foreign Currency Reserves; New Oil Wells L 2

PANAMA

Guard Announces New Promotions, Assignments N 1
Teachers, Opposition Demand New Government N 2
Panamanian-Venezuelan Joint Communique Issued N 2
[MATUTINO 29 Jul]
Briefs: Agreement With Chile; Banana Losses N 4

CENTRAL AMERICA

COSTA RICA

Volio Terms Nicaragua's Actions 'Immature' P 1
Denial of Torture Charge P 1

EL SALVADOR

Magana Expects Economic Independence in 2 Years P 2
Civil Defense Forces Kill Five Terrorists P 2
[EL DIARIO DE HOY 28 Jul]
Terrorists in Ilopango Airbase Sabotage Arrested P 3
[EL DIARIO DE HOY 29 Jul]

GUATEMALA

Cabinet Extends State of Siege Another 30 Days P 4
Government, Businessmen Agree on Economy Plan P 4
Army Reports Massacre of Peasants by Terrorists P 4

HONDURAS

No Invitation to Nicaragua Summit Received P 5
President Approves Sanctions Against Teachers P 5
[LA PRENSA 28 Jul]

NICARAGUA

Protest Sent to Costa Rica on Diplomat's Arrest P 6
Officials' Departure P 6
Commission to Costa Rica P 7
U.S. General's Honduras Visit Linked to Exercise P 7
Honduran President's Threats Follow U.S. Visit P 7
Meeting With Honduras Sought P 8
D'Escoto Leaving for Beirut on Nonaligned Mission P 9
Arce Says FSLN Forewarned of Outside Attacks P 9
New FSLN Regional Committees, Secretaries Listed P 9
Borge on Pre-Hearing Detention Period Extension P 10
Some 400 Sandinists Desert Army, Join FDN Units P 10
Peasant Recounts Capture, Escape From Somozists P 11
Venezuela Invites Nicaragua To Use Special Fund P 11
Denies Oil Debt Rumors P 11
Briefs: New Deputy Ministers; P 12
Finnish Government Cooperation

CUBA

Castro Urges 'Promptest' Action From UN Q 1
Official Silent on Angolan Student Incident Q 1
Moscow Weekly Interviews Carlos Rafael Rodriguez Q 1
[cross-reference]

CARIBBEAN

Caricom Meeting Opens in Guyana; King's Speech S 1

JAMAICA

Measures Announced To Bolster Economic Recovery S 2

TRINIDAD & TOBAGO

Trinidad Unable To Aid Other Caribbean Countries S 3

OTHER COUNTRIES

BRAZIL

Briefs: New Embassy in Cameroon; New Oil Field V 1

CUBA

Ways To Develop Trade With Argentina Reviewed V 1

ECUADOR

CEPE General Manager Views Oil Production V 1

GUYANA

WPA Demonstrations Protest Food Shortages V 2

SURINAME

Briefs: Ministers Approve Budget V 2

BIGNONE BECOMING PROVISIONAL PRESIDENT STUDIED

PY300210 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0050 GMT 30 Jul 82

[Text] Buenos Aires, 29 Jul (NA) -- The army high command is reportedly studying the possibility of changing Gen Reynaldo Bignone's institutional status to "provisional president."

Tonight Government House indicated in this regard that "the president of the nation is totally unaware of this report or the grounds for it; thus this is a subject which has not been discussed at government level."

According to rumors from reliable sources, the most expeditious procedure would be to ask the Supreme Court for a resolution based on similar rulings passed by this court over the last 50 years. A concrete example of this would be the status of provisional president granted by the court to Uriburu, Ramirez and Aramburu.

It was made clear that for the time being the subject is merely being studied and that no decision has been made. The source indicated that the army would hardly adopt a final stand before concluding its attempts to reincorporate the navy and the air force into the political leadership of the process.

According to one hypotheses, giving General Bignone the status of provisional president would imply vesting him with the title and powers of commander in chief of the armed forces, in keeping with the provisions of the Constitution regarding the executive branch.

In the present circumstances, should the three armed force branches fail to agree, the virtual disappearance of the military junta that held many presidential powers would facilitate the change of Bignone's status.

Should Bignone's appointment as provisional president come to pass in the wake of the ruling of the Supreme Court, the commander in chief of the army would immediately recognize General Bignone as commander in chief of the armed forces.

Following the same hypothesis, it is believed that General Nicolaides could state -- within the framework of the constitutional enlightenment campaign that he had announced -- that the objective of the measure is to strengthen the transition stage and to facilitate the initial steps of the constitutional government.

Meanwhile Presidential Spokesman Eduardo Maschwitz rejected news media reports that the government is discussing the possibility of stepping up the political timetable.

Maschwitz said: "When he took over the president of the nation said that there was no political timetable, but that after the statute of political parties was passed several steps would be followed to move toward elections. He also made it clear that he did not know how long this would take, until the statute of political parties was approved."

Reports disseminated by the news media indicated that municipal elections could take place this year; provincial elections in April or May next year; and national elections by the end of next year.

BIGNONE READY FOR AREA PRESIDENTS' MEETING

PY292038 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1308 GMT 29 Jul 82

[Text] Buenos Aires, 29 Jul (NA) -- President Reynaldo Bignone is ready to participate in a meeting of Latin American presidents designed to consolidate regional unity and integration.

SELA permanent Secretary Carlos Alzamora reported this at the end of a meeting he held with President Bignone.

Juan Ramon Aguirre Lanari, the Argentine foreign minister, and Julio Schupp, the secretary general of the Latin American Integration Association (LAIA), also attended the meeting.

Alzamora said that "the prospects for the SELA agreements for promoting regional exchange through preferential agreements" were discussed during the meeting.

President Bignone insisted on the advisability of holding the meeting of Latin American presidents as soon as possible so that it will yield "the expected results."

Alzamora also said that "the importance of a first meeting of Latin American presidents, which will in itself cause an unpredicted political impact and repercussion," was also discussed during the meeting.

At the beginning of 1982 Uruguayan President Gregorio Alvarez proposed the summit meeting to discuss the problems the continent is experiencing because of subversion.

Concerning the results of the SELA meeting, Felix Pena, the under secretary for international economic relations, said that "it is a mistake to believe that the support given by Latin America was merely rhetorical."

Pena has announced that the subject of "economic sanctions" will be discussed by the Latin American council, SELA's main organ, in Caracas in mid-August.

MENENDEZ INTERVIEW ON FALKLANDS SURRENDER

PY300213 Buenos Aries SIETE DIAS in Spanish 28 Jul-3 Aug pp 6-11

[Interview with former military governor of the Falkland Islands Gen Mario Benjamin Menendez granted to journalist Roque Escobar in his house on 24 July: "Why Did General Menendez Surrender?"]

[Excerpts] [Question] I am going to take the liberty of asking you one of the questions the people are asking on the streets. One of the things the people do not understand in the sudden turnabout in the war....Why, if we were winning on Saturday, did we suddenly lose on Monday?

[Answer] Look, that is probably included in the questionnaire you will leave me and which I will answer with a little more time.

[Question] Can't you tell us anything now?

[Answer] ...I would say the following: Perhaps for obvious reasons (the difference in power and means) we did not receive the necessary information concerning the overall power the enemy could put into play at a given moment. Because of this in two brief but powerful attacks they broke our defenses which we thought could resist for a longer period of time and more effectively. This is a subject which should be idscussed in depth....And after all, do not forget that all this began with an action which, apparently, could have also required repelling a landing of different characteristics, but later it became a ground battle where, although some of the tactics could be changed, we had to deal with a new stage of tactical assessment to see what could be done to face the new situation....In conclusion, these are major issues and I ask you, therefore, to give me more time to explain it thoroughly with all its details and in depth.

[Question] Do you often ask yourself questions?

[Answer] One always asks questions and tries to find out through time and the different situations experienced, if one could have done something different or something better in different circumstances....

[Question] And what is your answer?

[Answer] My answer is usually that I have a clear conscience as a man and as a soldier.

[Question] Did you at any moment feel that we were going to win the war?

[Answer] I do not know.... It is very difficult to say whether we were going to win the war, because imagine that we...

[Question] Excuse me, but you said we were....

[Answer] Yes, but do you know what happens? We sometimes say things within a certain context, they are remarks made on our own level, which is a lower level, and are based on information at hand on that level and on other information coming from higher-levels in the conduct of the war. This information is subject to factors which can develop without us knowing about them. Moreover, we should not forget the action of the enemy, which is the opposing force we do not control.

[Question] "The" enemy...or "two enemies?"

[Answer] I would say more than two enemies, because as the main or direct enemy we had Great Britain; the logistic support was granted by the United States -- which had incalculable significance for the British -- and we should not forget the role played by Europe through NATO and the EEC, except Italy which stopped imposing sanctions on us and Ireland or Spain, which on joining NATO made a statement in our favor....

[Question] Does that mean that we have fought against several very powerful enemies?

[Answer] I would say so. Therefore, if there is something I can salvage from this -- and I think all Argentines should feel this way, and Army Commander General Nicolaides has already said it -- it is that Argentina should never feel humiliated nor belittled by this military defeat because, considering the forces, or the power of the enemy -- or of the enemies -- against which we fought, we should feel more than proud of how we conducted ourselves in the conflict. Without going any further, and I believe something was also learned here, what General Moore said exempts me from commenting further.

[Question] Anyway, you certainly know that there are recriminations and reproaches...

[Answer] Someone has said: "Defeat knows no friends." True, I have heard about opinions given by someone and I believe it was Zavala Ortiz: "If we are going to fight a war, we will have to wage war with everything we have and make friends wherever we can." But this may be a subject for polemics....

[Question] Would you have wished to fight, even to death?

[Answer] That is what one is trained for. But I think it should be understood that one has a higher responsibility with over 10,000 men under one's command.

Among them there is a large number of soldiers whom you have met and you know that they have done all they can. Then you ask yourself if you have a right to ask for that other supreme sacrifice, unless it is going to give the expected result. In other words, if I were to know that it would lead to victory or if I were to know that even in defeat I would gain time for my government to win a favorable result on another level, in that case any sacrifice is justified. But if you make the appraisal that it is no longer possible to change the course of the battle and that a simple prolongation of the fighting, which would not last very long, does not promise any other result than more causalties, the death of more men, then it is necessary to assume the responsibility, before yourself, your fellow soldiers and the country... That was my decision. A number of conditions were agreed upon with General Moore and I believe they really show that this was an honorable surrender.

[Question] For example?

[Answer] It was agreed that the flags of our units would remain in the possession of the units; they were not given up. This may appear a bit formal or old-fashioned, but it has a great value. Our flags returned to the continent with the units. Another important fact was that our commanding officers remained in charge of the administration and command of the troops until the time when the island was to be abandoned. The British might give an order, but that order was carried out through the Argentine commanders. The officers kept their arms as long as they were on the islands. There was coordination of logistic support for our men. Another very important point is that the use of Argentine ships for the return of the prisoners was permitted.

[Question] Excuse me, General, but in American films no one dies from cold or is hungry. Everybody fights happily and wins...

[Answer] This is not exactly true and there are many examples of that. Furthermore, in books with an antiwar theme certain hardships characteristic of war and life in the trenches are not concealed. But let us place ourselves in the environment of the Malvinas, where we sometimes had units which were 10, 12 or 15 kilometers from Puerto Argentino, on the top of a mountain, for instance. The field kitchen cannot go there because of the conditions of the ground, so there cannot be any hot meals there. What is the solution? The combat ration is sent there by helicopter. But if there are 3 or 4 foggy days and the helicopter cannot fly, the combat rations will possibly be exhausted and the men will spend a couple of days eating little or nothing. Another case: Some soldiers might have been under artillery fire or in some similar situation and the food did not arrive, that might happen. Look here, the British left me without food in the ship for a day, but I would not even venture to say that they did it on purpose. They probably overlooked giving me food and my personal pride did not allow me to go and ask them, so I remained without food.

[Question] How about ammunition?

[Answer] Look, you have a certain quantity of ammunition according to the tables which say how much is used per combat day, and when the combat starts more is used for various reasons and it is possible that all the foreseen amount has been used in the heat of battle and temporarily you are without the ammunition you need. Some soldier tells a newsman: "I was left without ammunition" and this newsman takes it like this, out of context and without any explanation, and says: "That's impossible. He was left without ammunition," and everything is exaggerated....

[Question] You have to give the context, sir....

[Answer] Well in that case you will have to let me give a press conference, because otherwise we are answering an isolated question. This is not what we agreed upon.

[Question] Sorry, General, but it would be very difficult for me to explain, from a journalistic point of view, that I was with General Menendez without asking any questions...

[Answer] Well, you have asked a lot of questions. Let us pass on to personal subjects, if you don't mind.

[Question] All right. How is your state of mind now?

[Answer] I have already told you, in a way: No general likes to be defeated. I have a clear conscience about the way I have acted and behaved; I am back on the continent and with my family, and all this is positive. I am working with General Calvi's evaluation commission, preparing a report as detailed as possible. I have been able to go to the central military hospital at Campo de Mayo to visit the wounded, to see them and talk with them....

[Question] General Menendez, what would you like to tell the Argentines who felt disappointed and frustrated after the defeat in the Malvinas?

[Answer] The attempt to recover the Malvinas was an event of great happiness for all Argentines and a sort of banner of national unity. We should try to carry it into the future, despite the military defeat which seems to signify great frustration....

[Question] Which hurts....

[Answer] Yes, it hurts. It hurts me very much as commander and military governor of the Malvinas. In the first place, however, we have to try to project into the future and try to build a country with the necessary strength to realize its objectives, despite all I would say. But in addition to this I believe that we can to a great extent eliminate this feeling of frustration before the military defeat, if we remember against whom we fought. And I believe that the forces that fought in the Malvinas have played a more than honorable role, facing with great courage the enemy forces which were superior not only in number (because also this is a reality) but, above all, in available means, the sophistication of those means, the support they had, etc. I think that this is a true mark of honor which the Argentine people in general should feel and offer... Not to the leaders -- I particularly refer to myself -- but to the soldiers who participated in the battle of the Malvinas.

IMF OFFICIAL BLANCHET COMMENTS ON VISIT

PY292036 Buenos Aires DYN in Spanish 2350 GMT 28 Jul 82

[Text] Buenos Aires, 28 Jul (DYN) — The head of the IMF delegation which has visited Argentina to meet with government officials and the private sector about the economic situation tonight said he was optimistic about Argentina's capacity to overcome the current crisis in its balance of payments.

Christian Blanchet, director of the IMF River Plate Basin Department, who left for Washington tonight, said at the Ezeiza Airport that "I want to formally deny the report from a specialized morning publication" that the report he was preparing contained "a very unfavorable" impression of Argentine capacity to pay its foreign obligations.

He also confirmed that no executives of the foreign banks told him that the foreign obligations abroad were not going to be paid, and that he was leaving with the impression that Argentina must change the structure of its debt in order to avoid the short-term concentration of payment deadlines.

The IMF official said that questions about the difficulties which Argentina may have in paying its debt should be made to Minister Jose Dagnino Pastore or Domingo Cavallo, president of the Central Bank.

He said, however, that he did not believe Argentina could not take care of its foreign obligations, adding that "there is indeed a problem of the structure of the Argentine foreign debt and what should be expected is that your country find solutions for the peso within a short term in order to decrease the servicing of the debt."

Asked whether he was optimistic about the Argentine foreign trade situation, he said "I am always optimistic." Then, smiling, he boarded the airplane which took him to the United States.

Blanchet said that he came to Argentina to discuss the 1981 economic situation because the IMF report for 1981 has not yet been finished and that discussions on the 1982 economic situation will start in 6 months.

Blanchet added: "Ours was a routine mission. We discussed with officials the current Argentine economic situation, but we did not try to prepare a report; it was not a mission for consultations but as I said a routine IMF mission. Therefore the reference made about an alleged report is not true."

Concerning an allegedly unfavorable impression of Argentina's capacity to make payments made by foreign banks, he said that "I do not know of any banker, either national or foreign, who has talked to me about this matter or about the Argentine foreign debt. These are just inventions."

Blanchet explained that his delegation did not grant any interviews to the press because it is a rule for IMF officials not to grant them and that questions about his mission should be made to Minister Pastore or to Cavallo.

Laughing, he explained that "none of our missions are a mystery" and that the IMF prepares reports on the 146 member countrys every year, a task which sometimes is delayed, as has happened with the 1981 Argentine report. "I believe that consultations on the 1982 Argentine economic situation will begin in 6 months."

Blanchet, during his stay in Buenos Aires, met with specialists of the Central Bank and the Economy Ministry, who provided him with all kinds of information on the Argentine economy.

According to a report from a Buenos Aires specialized morning publication, the IMF mission prepared a report reflecting a "very unfavorable" opinion of Argentine capacity to pay its foreign debt and a favorable opinion of the current fiscal policies.

ARMY REASSIGNS OFFICERS WHO PARTICIPATED IN WAR

PY300240 Buenos Aires DYN in Spanish 0040 GMT 30 Jul 82

[Text] Buenos Aires, 19 Jul (DYN) -- The army high command tonight made public the new assignments for officers who participated in the Malvinas war.

According to a communique handed out at the Libertador Building, colonels, lieutenant colonels and majors who commanded units which participated in the war operations have been given new assignments in large combat units.

Col Juan Mabragana, commander of the 5th Infantry Regiment, and Lt Col Mohamed Ali Seineldin, commander of the 28th Regiment headquartered in Colonia Sarmeinto, Chubut Province, are among those who were reassigned.

Following is the text of the communique:

The army high command informs the public that, on orders of his excellency the army commander in chief, the following reassignments of the army's high-ranking personnel have been made:

Transfer: Lt Col Ernesto Alejandro Repossi to the army high command.
Special Assignment: Maj Oscar Minorini Lima to the legislative advisory commission.
Transfer to the army high command (Army Joint Staff): Col Juan Ramon Magragana, Lt Col Omar Gimenez, Maj Carlos Eduardo del Valle Carrizo Salvadores, Maj Luis Enrique Ravago, Maj Alfredo Martin Traverso, Maj Carlos Alberto Retamoso, Maj Ricardo Mario Cordon, Maj Alejandro Domingo Carullo and Maj Carlos del Senor Hidalgo Garzon.
Transfer to the III Army Corps: Maj Guillermo Agustin Buitrago.
Transfer to the V Army Corps: Maj Roberto Eduardo Berazay.
Transfer to the military institute command: Lt Col Mohamed Ali Seineldin.
Transfer to the 4th Mountain Infantry Brigade: Maj Carlos Roberto Matalon.
Transfer to the command of the 7th Infantry Brigade: Lt Col David Ubaldo Comini and Maj Alberto Horacio Frontera.
Transfer to the command of the 9th Infantry Brigade: Lt Col Bartolome Antonio Trias.
Transfer to the 10th Armored Infantry Brigade: Lt Col Norberto Enrique Fernandez.
Transfer to the command of the 2nd Infantry Brigade: Maj Juan Carlos Tomatis.
Transfer to the Artillery Command: Lt Col Hector Lubin Arias.
Transfer to the Communications Command: Lt Col Alfredo Francisco Andujar.
Transfer to the Army Aviation Command: Lt Col Juan Carlos Scarpa and Maj Roberto Oscar Yanzi.
Transfer to the "Lt Gen Luis Maria Campos" superior war school: Lt Col Martin Antonio Balza.
Transfer to the "Maj Gen Manuel Nicolas Savio" advanced technical school: Maj Adolfo Ernesto Moor.
Transfer to the "General Lemos" combat support services school: Lt Gen Carlos Alberto Guevedo.
Transfer to the "Lt Gen Eduardo Lonardi" artillery school: Maj Jorse Joaquin Danussi.

Appointments:

To "General O'Higgins" 8th Infantry Regiment: Lt Col Eugenio del Valle Toledo as chief; Maj Alfredo Caludio Somoza as deputy chief.
To the 25th Infantry Regiment: Lt Col Hector Horacio Gasquet as chief.
To the 4th Airborne Artillery Group: Lt Col Jorge Norberto Ceballos as chief.
To the 601st Artillery Air Defense Group: Lt Col Pedro Alberto Marti Garro as chief.
To the "Coraceros General Pacheco" 181st Armored Cavalry Reconnaissance Detachment: Lt Col Adolfo Orlando Apesteguia as chief.
To the 9th Engineering Company: Maj Raul Bduardo Fait as chief.
To the 181st Command Communications Battallion: Lt Col Farael Alberto Cazaux as chief.
To the 601st Combat Aviation Battallion: Lt Col Juan Carlos Galloni as chief; Maj Enrique Oscar Soto as deputy chief.
To the 181st Military Police Command: Maj Oscar Bernardo Rey as chief.

NEW INDUSTRY AND COMMERCE MINISTER RESIGNS

PY291620 Buenos Aires LATIN in Spanish 1606 GMT 29 Jul 82

[Text] La Paz, 29 Jul (LATIN-REUTER) -- Industry and Commerce Minister Col Jorge Escobar resigned his post today, thus becoming the second member of the cabinet to resign in a period of only 24 hours.

The announcement was made by the minister himself, who gave the press a copy to his letter of resignation, indicating that his dignity had been put in doubt by a labor leader.

Information Minister Hugo Gonzales Rioja submitted his resignation yesterday.

Resignation Justified

PY292144 La Paz Radio Illimani Network in Spanish 1700 GMT 29 Jul 82

[Excerpts] Col Jorge Escobar today justified his irrevocable resignation from his post as industry and commerce minister by explaining that he resigned due to pressures of a political nature which distorted the processing of bids and honesty of government actions.

During a press conference held before he submitted his resignation to the president, Minister Escobar explained that no irregularities were committed in bidding operations during his short administration.

He also said that the bid in question was not made during the current government. This is what he said:

[Begin recording] I reiterate that this bid was not made during this government. I have read the decree dated during the previous government's tenure and the only thing we did was open [words indistinct], open the envelopes and immediately choose the winner and in this manner we avoided forming commissions of a legal or technical nature which select a winner only after 2 or 3 days. [end recording]

The Bolivian Labor Federation, COB, completely absolved the minister of industry and commerce, Col Jorge Escobar, of any responsibility in the alleged mishandling of the bid for 100,000 tons of wheat. Escobar, alluding to charges that he committed irregularities in that operation, submitted his irrevocable resignation from his post after only 5 days in that position.

Oscar Sanjines, COB secretary general, in talking to our reporters, denied Escobar's involvement. Sanjines indicated that there is no doubt that the minister of industry and commerce tried to act honestly. However, he said that some people who visited the COB office submitted reports about possible irregularities in prior bids and under prior ministers. Oscar Sanjines said that the COB is a responsible organization and that his organization has proof of irregularities in prior administrations and that these will be released for public consideration soon.

PRESIDENT APPOINTS MINISTERS, AFFIRMS ELECTIONS

PA300102 Buenos Aires LATIN in Spanish 0045 GMT 30 Jul 82

[Text] La Paz, 29 Jul (LATIN-REUTER) -- Bolivian President Gen Guido Vildoso overcame a partial cabinet crisis tonight on swearing in two new civilian ministers of information and industry and commerce.

The chief of state tonight designated newsman Luis Pegaranda Beltran and economist Raul Soria to the ministries of information and industry and commerce, respectively.

President Vildoso swore in the two new ministers in the Room of Mirrors of the Quemado Palace and in a brief speech reiterated that the decision of the armed forces to hold elections in April of next year and turn over power to whomever wins the 6 August elections that same year "is irreversible."

He stressed that the country's socioeconomic situation is critical and appealed to all the political sectors to aid in resolving the problems of the country.

INTERIOR MINISTER ROJAS ON 1980 CONGRESS

PY291436 La Paz Cadena Panamericana in Spanish 1130 GMT 29 Jul 82

[Excerpts] The 1980 congress had had no legal power and the very representatives of that congress confirmed this fact on that occasion. This statement was made by Interior Minister Edgar Rojas yesterday in answer to questions by reporters.

Regarding the political situation in the country, the interior minister stated that according to the pages written in Bolivian history, there had been many setbacks due to the lack of understanding among Bolivians.

Minister Rojas stated that the armed forces government has decided to hold general elections in 1983 to make the electoral process legal, in which there will be no fraud and whoever is elected will have the electoral support.

CABINET REJECTS RECONVENING OF 1980 CONGRESS

PY291225 Paris AFP in Spanish 0156 GMT 29 Jul 82

[Text] La Paz, 28 Jul (AFP) -- The national cabinet, which held a meeting here today, rejected the proposal by several political organizations that the congress elected in 1980 be convened in order to define Bolivia's political future.

Foreign Minister Agustin Saavedra told reporters that during the cabinet meeting, which was also attended by President Guido Vildoso, matters concerning policies by the government and the different ministries were discussed.

Interior Minister Col Edgar Rojas said that unity among Bolivians is now essential for the democratization process which will culminate in April 1983.

He added that the creation of electoral courts and all the details that will guarantee the full constitutionalization of the country are being studied.

Air Force Commander in Chief Natalio Morales Mosquera said that the mandate of the armed forces establishes clearly that the nation should follow a serious process leading to the enforcement of the law.

Finally, Mines Minister Col Octavio Villavicencio said that delegates from the public and private sectors will be travelling to the United States in order to ask for a suspension of the sale of strategic tin reserves, which is posing serious problems for the Bolivian economy.

POLITICAL, CIVILIAN UNREST, PRESSURE CONTINUES

PY291755 Paris AFP in Spanish 1540 GMT 29 Jul 82

[Text] La Paz, 29 Jul (AFP) -- The Departmental Labor Federation (COD) of La Paz, the most important one in the country, has declared a state of emergency and it has announced that it will call a general and indefinite strike to be in force until the military hands over power to the civilians, it was reported today in La Paz.

The statement is part of the very strong pressure being brought to bear by political, civilian and labor organizations demanding that the government be handed over to the 1980 congress, which will presumably meet on 6 August, Independence Day.

The workers have also demanded the immediate abrogation of the decree that authorized the floating of the dollar.

They have also demanded that the prices of basic foodstuffs be frozen, the implementation of a flexible minimum salary (based on the increases in the cost of living) and they also repudiate the intention of again wanting to increase fares of public transport.

On its part, the COD of Cochabamba (located in the central part of the country) also demanded the immediate surrender of power to the civilians during a multitudinous march that was carried out yesterday, Wednesday.

On the occasion several speakers indicated that the military regime could provoke a civil war if it continues to hang on to the government without any possibility of resolving the economic crisis.

The top leader of the Cochabamba COD, Lucio Lopez, said that the presidential chair belongs to the people and not to the three commanders in chief, who believe that they can hand it over to whomever they choose.

He stressed that the continual nature of Luis Garcia Meza's regime and the current one that is presided over by Gen Guido Vildoso Calderon was demonstrated yesterday when it was learned that Garcia Meza's former interior minister, Col Luis Arce Gomez, was named director of the military intelligence school.

Moreover, the civilian pressure that is being brought to bear demanding that the military hand over power on 6 August has suffered a rift due to the fact that the Nationalist Revolutionary Movement of the Left (MNR-1), through its committees in Santa Cruz and Tarija, has requested that elections be held on 5 December 1982.

This idea is presumably shared by Hernan Siles Zuazo, who resides in Lima, leader of the MNR-1 and of the People's Democratic Union, which has won the last three elections.

On its part, Vildoso Calderon's regime, through Air Force Commander in Chief Gen Natalio Morales Mosquera and Interior Minister Col Edgar Rojas Ruiz, made it known that the decision to call elections in April 1983 is irreversible.

Both military chiefs recalled that the elections of May 1980, the year in which congress was elected, were declared legally null and void due to the charges of fraud that were submitted by the civilians themselves.

PRESIDENT TO ATTEND COLOMBIAN INAUGURATION

PY291455 La Paz Cadena Panamericana in Spanish 1130 GMT 29 Jul 82

[Text] President Guido Vildoso Calderon will attend the presidential inauguration of newly elected Colombian President Belisario Betancur to take place in Bogota.

Government sources have stated that the Bolivian president has accepted the invitation extended by Colombian Government officials to attend transfer of government ceremonies on 7 August in the Colombian capital.

President Vildoso will leave in the evening of 6 August in compliance with the established agenda. As a consequence of the economic crisis now affecting the country, Vildoso Calderon will be accompanied by a very small delegation made up of the foreign minister and one aide-de-camp.

After 2 years and 20 months [as heard] a Bolivian president will leave the fatherland to attend a ceremony marking the installation of a government elected by the people. The last nation's president to leave the country was Walter Guevara Arze for Panama on 29 September 1979.

General Vildoso will return to his government office on 8 August.

DECISION TO ABANDON INTERNATIONAL TIN COUNCIL

PY281900 La Paz Radio Illimani Network in Spanish 1100 GMT 28 Jul 82

[Excerpt] After three decades as a member of the International Tin Council, Bolivia is going to definitely quit this organization which was created to stabilize tin prices. The Bolivian Government has announced its decision to request the return of its contribution to the organizations standing account during the 5th council.

Reports received by local government sources stated that the Bolivian delegation has not yet issued the appropriate request, but that it will be forwarded at any moment.

BRIEFS

FINANCE MINISTRY UNDER SECRETARIES -- Finance Minister Alfonso Revollo Tennier has administered the oath of office to (Jaime Delgadillo Cortez) as finance policy under secretary, and (Jaime Coronado Serrano) as financial administration under secretary. [La Paz Cadena Panamericana in Spanish 0000 GMT 27 Jul 82 PY]

NEW ENERGY UNDER SECRETARY -- (Hugo Lara Arce) was installed yesterday afternoon as new under secretary of the Energy and Hydrocarbons Ministry. Secretary (Augusto Franquez) presided over the ceremony marking the installation of the new under secretary. [La Paz Cadena Panamericana in Spanish 1130 GMT 27 Jul 82 PY]

INFORMATION MINISTRY UNDER SECRETARY -- Journalist (Luis Penaranda Deltrance) was installed yesterday as new under secretary of the Information Ministry to replace Rolando Diez de Medina, who irrevocably resigned from his post. [La Paz Radio Illimani Network in Spanish 1100 GMT 27 Jul 82 PY]

YPFB MANAGER RESIGNS -- Col Otto Lopez Murillo, general manager of the Bolivian Government Oil Deposits [YPFB], has resigned from the post he has held since the government of Gen Garcia Meza. In a press conference yesterday Lopez Murillo stated that he presented his resignation to the president of the republic, and that as a member of the armed forces he has held that post on orders of the army. [La Paz Radio Illimani Network in Spanish 1100 GMT 27 Jul 82 PY]

MILITARY HOUSEHOLD CHIEF DESIGNATED -- Col Jorge Salazar Crespo has been designated chief of the military household, replacing Col Victor Hugo Valderrama who is currently serving as agriculture, livestock and campesino affairs minister. [La Paz Cadena Panamericana in Spanish 0000 GMT 23 Jul 82 PY]

TRANSPORT MINISTER INSTALLED -- Capt Douglas Estrema Doiro was installed as transport minister today. [LA Paz Cadena Panamericana in Spanish 0000 GMT 23 Jul 82 PY]

IMPROVED RELATIONS WITH ARGENTINA DESIRED

PY300050 Paris AFP in Spanish 1441 GMT 29 Jul 82

[Text] Buenos Aires, 29 Jul (AFP) -- Two Chilean diplomats here today stated that Chile desires to improve its relations with Argentina, relations that had deteriorated as a result of the conflict over the Beagle Channel. The diplomats also said that they have faith in the status of bilateral relations in the near future.

Andres Concha Rodriguez, director for economic relations of the Chilean Foreign Ministry, claimed that Chile had given facilities to Argentina during the recent conflict over the Malvinas, allowing it to carry goods through Chilean territory, thus bypassing the British blockade.

The diplomat visited Buenos Aires as Chile's representative to the first meeting of the committee of support and action for Argentina in connection with the Malvinas war, created within the framework of the Latin American Economic System (SELA), held in Buenos Aires.

He emphasized that Argentine goods in transit through Chile have advantages over Chilean goods because of the above-mentioned facilities granted during the Anglo-Argentine conflict. While the military action was in progress, Argentine goods were being carried to third countries through Chilean territory, he revealed.

Concha Rodriguez explained that the facilities granted were free entry for trucks with Argentine license plates and extension of the deadline for the storage of Argentine goods in Chilean customs while awaiting foreign ships that would take them to their final destination from Chilean ports.

Concha Rodriguez heads the first high-ranking Chilean mission to arrive in Argentina since late 1977, when the problems stemming from the conflict of the southern Beagle Channel began to worsen.

Concha Rodriguez warned that the lack of a solution to the border conflict is partially harming economic relations and a better understanding between the two countries.

He indicated, however, that many of the things that could come true later on will depend not so much on the progress of the mediation but on domestic policies, thus making a direct reference to Argentina's return to institutional normalcy scheduled to take place at the end of next year, according to semiofficial sources.

A similar remark was made by Ambassador Sergio Jarpa Reyes, accredited to the Argentine Government. This diplomat said that he wished that Argentina would do well during the coming constitutional period and said that if it does well, we all will do well.

He extended his good wishes for Argentina's coming constitutional stage to the entire southern cone.

As to the Beagle Conflict, Jarpa Reyes said that the current situation is the same that prevailed when His Holiness Pope John Paul II accepted the mediation.

Argentina and Chile sought the help of the Vatican in Jaunary 1979 after overcoming a worsening of the border conflict which threatened to develop into an armed confrontation the year before that.

Jarpa Reyes revealed that Argentine and Chilean delegations held frequent meetings with Cardinal Samore in Rome in the last few days. However, he emphasized the deadlock that the negotiations are experiencing.

FARC ON 'OPEN, BROAD' DIALOGUE TO SEEK PEACE

PA280321 Madrid EFE in Spanish 0229 GMT 28 Jul 82

[Excerpt] Bogota, 27 Jul (EFE) -- The guerrilla group called Revolutionary Armed Forces of Colombia, FARC, today asked for an "open and broad" dialogue to seek peace and to return to civilian life.

In a communique sent to the news media in Bucaramanga, in the country's eastern region, Manuel Marulanda Velez, the FARC's top leader, says that he is prepared to talk with Colombian President-elect Belisario Betancur or some representatives of his in order to search for agreements.

Marulanda adds that these contacts can't be held in Bogota for security reasons but that some other place may be selected for the purpose.

PAPER REPORTS INCIDENT WITH VENEZUELAN TROOPS

PA290230 Madrid EFE in Spanish 1513 GMT 28 Jul 82

[Text] Bogota, 28 Jul (EFE) -- The Bogota newspaper El TIEMPO today reported two incidents between Venezuelan and Colombian troops at the border. The Colombia Army had to fire at Venezuelan helicopters which invaded Colombian territory.

The newspaper published the report, datelined Barranquilla, on the front page under the headline: "Venezuelan Helicopter Fires at Car in Colombian Territory."

According to the report, a helicopter from the Venezuelan Air Force fired at a car in colombian territory, killing 1 passenger and wounding 2 others and causing a general alarm among the Colombian military forces posted along the border with Venezuela.

The incident has caused concern because the Venezuelan helicopter did not report that it was going to enter Colombian airspace while chasing a group of smugglers fleeing in a car, shots were fired at the car from the air.

EL TIEMPO adds: "During the past 15 days clashes have taken place between Venezuela and Colombian troops, near the border area of Carraipia, department of La Guajira. Last Saturday the Colombian troops were compelled to shoot at a Venezuelan helicopter."

This last instance took place on 24 July when a Venezuelan helicopter flew over the military garrison of Carraipia, near the common border.

The newspaper adds that military forces of the two countries are trying to solve the problems by diplomatic means, through their respective high commands.

The report on the incidents at the Colombian-Venezuelan border was published just as Colombian President Julio Cesar Turbay Ayala was about to travel to Venezuela, where President Luis Herrera Campins will decorate him with the "Order of the Liberator" during a meeting that has been scheduled for this afternoon, in the city of San Antonio de Tachira.

PRESIDENT BELAUNDE'S INDEPENDENCE DAY SPEECH

PY290343 Lima Domestic Service in Spanish 2204 GMT 28 Jul 82

[Speech delivered at Chamber of Deputies Hall by President Fernando Belaunde Terry to the Peruvian Congress and nation on Peruvian independence day -- live]

[Excerpts] Mr Chairman: In accordance with Article 211 of the Constitution I hereby deliver, personally and in writing, my message to the Congress regarding the second year of the constitutional regime which I have the honor of presiding over.

Messrs Congressmen: Once more the Congress is meeting in this august hall to reassert the institutional order of the republic. [applause] We have gathered on the day of the fatherland representatives of all parties and trends, and we should dedicate ourselves to the task of analyzing the achievements and difficulties of the year which has passed, on which, according to the Constitution, it is my duty to report, and at the same time indicating the necessary steps to meet the universal crisis from which, unfortunately, this country cannot escape. The effects are perhaps less serious in Peru than in other nations, but in order to overcome them, very close and patriotic cooperation is required on the part of the Congress which I am certain will not be denied us, without impairment, of course, of the rights of supervision and constructive criticism which are the invaluable attributes of the democratic regime in which we all share.

There is nothing more regrettable than having to observe how small terrorist organizations are attacking human rights and the assets and interests of the nation, while the country is making efforts to reconstruct its economy and improve the standard of living. They are mistaken and have gone astray. They will neither achieve casting a shadow on the democratic progress of Peru nor harming its international prestige. The rejection by the citizens and the firmness of the government are blocking their way; the latter has not hesitated to apply, on three occasions, the constitutional rules on the state of emergency in the provinces threatened by those criminal actions.

Terrorism is being severely repressed and its organization is being broken up. Unfortunately, what is left of it has run into a murderous rampage that respects nothing. The congressmen will no doubt wish to learn exact data about those events.

Since last July 658 terrorist actions have taken place, mostly aimed at causing more noise than damage. In the last 5 months of 1981 there were 328 attacks and 330 in the following 6 and 1/2 months up to 17 July this year. The terrorist actions were concentrated in Lima, where 205 attacks took place, and in Ayacucho, which endured 176 attacks. There were 43 assaults of posts and installations of the police forces and 15 against private premises. It could be mentioned that 85 percent of the attacks were aimed at state property, essential services, political premises and private homes.

Human suffering, the tragic result of this activity, has caused public indignation. During the above-mentioned period, 53 people lost their lives and 75 were wounded, many of them seriously. The police forces have paid a very high price in blood and sacrifice in defense of men and institutions, and this has made them worthy of recognition of the part of the government and citizens. [applause]

From this elevated position I pay homage to those courageous defenders of society and democracy. The police casualties total 12 dead and 41 wounded, which are painfully mourned by the country. This lamentable list is made still more regrettable through the death of 43 citizens, of whom 22 were assassinated, in addition to 19 dead and 3 wounded terrorists.

It will undoubtedly be permitted for me to render my brotherly and deeply felt homage to the modest district mayors, the deputy governors and the Popular Action governor who are our martyrs in this struggle against elements inspired by foreign ideologies. [applause]

What do they intend, these foreign instigators of terrorism? To replace our free press with their gags, our open courts with their hermetic prisons, our free labor unions with their oppressed workers, our liberties with their tyrannies? The Peruvian people categorically reject that ignoble and ignominious intention. [applause]

There has also been an important and successful struggle against drug trafficking. The police forces have doubled their efforts to disrupt the organizations of drug production, distribution and export. In the first 6 months of the year they detained 1,750 persons involved in drug trafficking, solved 778 cases and confiscated 1,146 kilograms of cocaine base and 26 kilograms of the pure drug. This clearly shows that there is a strong and effective action, but also that the criminal organizations have a great capacity of recovery. With support from abroad, which can multiply when necessary, with the backing of severe measures and with improved equipment and organization, our agents control the international routes and the efforts to make this country into the terminal supplying the vice of the world, while the efforts of systematic reduction of the plantations are advancing. In view of this and other serious threats from the criminals, the government has decided to equip the police forces with the indispensable means to face their responsibilities. Those forces had been neglected to the extent that their capacity to respond to criminality had been critically reduced. In addition to putting adequate arms, means of transport and communication equipment at the disposal of the police forces, the government will increase their personnel strength and will improve their level of individual training and specialization. Naturally, those unselfish servants of the nation are being given their due. [applause]

Foreign Relations

On the international front, Peru fortunately enjoys an enviable position which is partly due to prestige brought to it by its institutional reorganization. The interest our country has elicited on all continents is obvious, because of the renown of its ancient culture and the radiance of the viceroyalty era. The Republican role it has played in Spanish America has been enhanced by the process of democratic restoration in 1980. Peru maintains cordial relations with all countries whether or not they have diplomatic representatives in Lima.

With regard to the Malvinas conflict, we undertook with all fervor efforts to avoid the deplorable and bloody confrontation between Argentina and Great Britain, with opportune and repeated initiatives to attain such a lofty objective. Both nations have expressed their special recognition of such efforts, and thus our traditional and ever-stronger bonds with Argentina has been notably reinforced, without detriment to our cordial relations with the United Kingdom.

The attitude of Peru within the framework of the OAS, frankly backing the longstanding rights of Argentina, is well known.

The Peruvian people at a difficult time for a great fraternal nation pays homage to it on 28 July when this site was occupied by Gen Jose de San Martin. [applause]

Our relations with neighboring countries are very satisfactory, and we have redoubled our efforts to consolidate the Andean group and to promote closer cooperation with other subregional organizations.

Of special significance was the visit of Japan's prime minister, Zenko Suzuki, as an expression of the will to establish closer ties between the two countries and as a demonstration of a growing interest toward Peru which we deeply recognize.

We in Lima are promoting a technical meeting for the interconnection of the Orinoco, Amazonas and River Plate Basins, which could be comparable in its results of those of the New Orleans-Quebec axis in North America. The two river systems, united by a short ocean connection through the Caribbean and the Gulf of Mexico, will constitute the infrastructure for a greater system of communications with an extraordinary potential, between Quebec and Buenos Aires. This plan is imbued with the same spirit of integration about which I spoke at the meeting of presidents in Punta del Este in 1977. The great technological advances made since this time brings back to life the visionary dreams of Sarmiento.

Throughout this year we have not lost sight of the main objectives that should contribute to the attainment of economic recovery within the medium term -- reactivation of our production and the gradual curbing of inflation. These two goals are closely related to the well-being of the majority.

A well-balanced and calm observer, free from unbridled optimism as well as from unrealistic pessimism, will note limited but true successes in the attainment of the above objective and bearing in mind the international status quo.

The very same factors that are affecting our country have reduced to the minimum growth rates worldwide. The average growth rate in both industrialized countries and Latin America is approximately 1.2 percent; however, the Peruvian economy has grown by 3.9 percent.

Meanwhile, Germany's production declined by 0.3 percent, Great Gritain's by 2.1 percent, Argentina's by 6 percent and Brazil's by 6 percent. Countries whose economies are strong like the United States grew only 3 percent, Japan by 2.9 percent and France by only 0.8 percent.

It is worth pointing out that while the tendency worldwide and in Latin America has been that of contracting economies, Peru's economy experienced a moderate expansion, reversed the downward trend of prior years and surpassed by 1.2 percent the population [as heard] growth rate.

Despite the prevailing international crisis in 1982, our economy has continued to improve, although at a lower rate, the rate for the first quarter of this year was slightly lower than last year's average growth rate and the second quarter of 1982; despite the fact that the data available is not complete as yet, it shows a positive balance. Thus, the first quarter has shown a moderate growth, but growth at least, and we expect that there will be growth throughout the year.

It must be emphasized that the sectors of greater social significance has remained stable and those more affected by their closer links with the international market are of lesser social significance. This explains the apparent lack of consistency between labor and economic indexes. This phenomenon is specially significant for the distribution of income among society members.

As far as exports are concerned, we have been pleased to note that the sales of manufactured goods abroad have grown by 12 percent during the first quarter of 1982 compared to the same period last year.

The drop in international prices of raw materials and the contraction of markets for our nontraditional exports have prevented the country from making the profits it had expected for its efforts. The monthly income from our exports dropped from $354 million in 1980, to $306 million in 1981 and to $280 million in 1982. Imports have also declined, from the monthly average of $280 million in 1980 to $221 million in 1981 and to $208 million in 1982.

In such circumstances the loss of foreign exchange inflow could not be avoided, a loss on the order of $584 million in 1981 despite the partial financing of the deficit with foreign capital. Foreign reserves are rather stable. In July they stood at a level not much different from that of a year ago, although during the last 12 months the country had to pay $1.6 billion to service the sizable foreign debt inherited by this government. These reserves make it possible to meet the needs of production, which the government is interested in maintaining. In order to accomplish this the government is stimulating export activities quite vigorously. Furthermore, a number of measures to discourage imports have been adopted.

The fact that our international credit is solid should be a source of satisfaction. The IMF, the multilateral banking system, the IBRD, the IDB and the international capital market have demonstrated their confidence in our economy. A tangible demonstration of this is the contract that is about to be signed with 51 banking institutions of all regions of the world to obtain a loan of $350 billion. Despite contentions to the contrary, we have not increased the country's foreign debt in relation to the country's gross domestic product [GDP], which constitutes the real term of reference. On the contrary, this ratio has been decreased significantly. The ratio between public debt and GDP was 47.9 percent -- an enormous ratio -- in 1978, and it was lowered to 42 percent in 1979, to 35 percent in 1980 and to 31 percent in 1981. In 3 years the burden of the foreign debt on the economy has been reduce by 16 percent. Of course, we are concerned about the rigid terms for servicing this debt in a period as difficult as the present one.

Our policy follows a line which does not promote excessive, and even less the unnecessary, indegtedness. The foreign debt law proves this. No credit will be contracted unless it is absolutely indispensable and clearly favorable for the country. The confidence we referred to is subject to internal pressures, such as the growth in savings and the growth of certificates of deposit in foreign currency in the national banks. In June 1981, these deposits amounted to $1,061,000,000, and since then they have risen to $1,434,000,000.

A side effect of the decline in our exports was the accumulation of an important fiscal deficit in 1981. Budgeted receipts from export taxes dropped to less than one fourth -- from $938 million in 1980 to $332 million in 1981, and to $200 million so far in 1982. This substantial drop in tax receipts has had serious repercussions on the budget and, despite the strenuous efforts being made to improve customs and tax revenues, the central government deficit could amount to something on the order of 350 billion soles, that is, nearly 2.5 percent of the GDP.

As for the balance of payments, the current account deficit may go as high as $1.5 billion, and there could be a total loss of $100 million in the balance of payments, although it is possible it could turn out to be balanced.

We must also talk about inflation. Within the circumstances described above, the success achieved requires no further explanation. Last year's inflation rate has shown a downward trend, it declined from 82 percent in May 1981 to 63 percent in December of the same year and has remained close to 60 percent throughout the first few months of 1982.

The government is doing its best to keep inflation under control without unleashing a depression in the nation. In order to maintain a realists exchange rate, it has been necessary to devaluate our currency by 58.9 percent between June 1981 to date.

The economic efforts have allowed the nation to increase public investments despite extremely adverse circumstances. This year we will invest 1.2 trillion soles, equivalent to $1.7 billion.

The presidency of the Council of Ministers has fully supported the 25 departmental development corporations by means of which the government is trying to carry out the decentralization much wanted by the Peruvian people. All these corporations are fully operational and 20 of them have already set up the various bodies provided for by law and are actively moving toward the implementation of their programs. Soon I will call their chairmen to Lima for a meeting at which they will brief me on tasks accomplished and will submit their plans for future departmental development.

Energy and Mining

The national electricity law and the law on financing of power expansion approved by Congress in May last year are a firm foundation for the energy plan capable of bringing power to every corner of the nation.

The greatest success has been achieved in the field of petroleum exploitation with an average daily production of 230,000 barrels as compared to the average 192,000 barrels produced daily last year. The average daily exports are 95,000 barrels, greatly surpassing the 70,000 daily average exported last year.

This means that the additional income of $489 million per year will greatly compensate for the reduced income from mineral exports. This year, oil exports could bring in $1.175 million surpassing the $692 million received last year.

It is quite obvious that the best way to overcome the crisis is to stimulate oil production and in this regard I have been greatly pleased to dedicate the oil pipeline built by Petroperu between (Nueva Esperanza) and (?Capion) and to note other efforts that will allow this state-owned corporation to double its production in the jungle area. No less satisfaction was derived from the dedication of the new Iquitos refinery and I am pleased to note the obvious achievements of Petroperu, an enterprise which we will continue to actively promote.

In the midst of the crisis we have been facing in recent years, there are some basic reasons to view the future with optimism. The versatility and diversity of the Peruvian economy endowed with huge natural resources and the industriousness of its people provide Peru with a notable capacity for recovery.

The democratic path which Peru has taken is tending to take hold in Hispanic America. This undeniable fact motivates us to improve the elecoral system and therefore we have submitted to Congress a draft bill prepared by the national electoral board for a new registration. By issuing a single identity card the registration books can be organized and the people will be provided with a useful document to replace many others. Next year we will again hold municipal elections throughout the country, including districts and provinces created by recently promulgated laws.

The country's well-being primarily depends on the development of productive activities and on the work ethics that must be strengthened at all levels. The possibilities are unlimited and the youth must not waste its strength in useless discords and disagreements.

The country has enough land -- God gave it to us abundantly -- but it is up to the individual to make it productive and to create an environment where the people fell protected and motivated.

From this hall of congress, I call upon the youth of the nation with this fervent exhortation: Let us work. let us work for the fatherland with the conviction that we are just and with the stamina of the strong! [applause]

TERRORISTS TRY TO INTERFERE WITH BELAUNDE SPEECH

PY291507 Lima Radio Union in Spanish 1200 GMT 29 Jul 82

[Text] Terrorists yesterday tried to cause a general power outage during President Belaunde's message by dynamiting two high tension towers in (Salto Grande). They also detonated a high explosive devise under the (Ricardo Palma) bridge located 350 meters from the National Congress.

In Ayacucho terrorists also dynamited two high tension towers, blew up the installations of the small hydroelectric plant in (Pasca), attacked the Vilcashuaman police post, seriously wounding a civil guard, and finally tried to dynamite the (Estangallo) bridge.

[Words indistinct] again in Lima, a terrorist cell dynamited bus No UG2822 of the general penitentiary which was parked in front of the entrance to block No 12. (Zaraberry) Avenue.

BOMB EXPLODES NEAR PRESIDENTIAL REVIEWING STAND

PY292106 Paris AFP in Spanish 1841 GMT 29 Jul 82

[Text] Lima, 29 Jul (AFP) -- A strong explosion shook a sector of Lima city at noon today, shortly after President Fernando Belaunde left his reviewing stand at the end of the military parade commemorating independence day.

Civil guards and republican guards acted immediately, asking the people to leave the place and then went into the building where the bomb or dynamite charge had exploded.

The explosion broke the window panes of the building located in the Magdalena del Mar resort area, where the reviewing stand for the chief of state, ministers and other dignitaries had been set up on Brazil Avenue.

While the curious made the police task more difficult, other persons were running around in total confusion and more and more forces of order were arriving at the place to cordon off the area and arrest suspects.

The device exploded shortly after 1300 local time (1800 GMT) just when the military parade -- that included the best units of armed and police forces and attracted thousands of persons -- had finished.

The police took over the three-floor building where the explosion occurred. They arrested one person initially but the arrest of further suspects continued.

The explosion did not cause any casualties, only a great deal of tension among the crowds that had gathered in the area.

HERRERA MEETS WITH COLOMBIAN TURBAY AYALA

PA290259 Buenos Aires LATIN in Spanish 2158 GMT 28 Jul 82

[Text] Bogota, 28 Jul (LATIN-REUTER) -- Venezuelan President Luis Herrera Campins and Colombian President Julio Cesar Turbay Ayala met today at the border city of San Antonio del Tachira. They called for a strengthening of the Bolivarian ideal of American unity and expressed their confidence in the peaceful and dignified solution of international conflicts.

The two chiefs of state met at the airport of the Venezuelan city of San Antonio near the Colombian border shortly after 1000 Colombian time (1500 GMT) in the last formal meeting as chiefs of state since Turbay will end his constitutional term in 2 weeks.

After the protocol and honor ceremonies, Herrera decorated Turbay with the Great Collar of the Order of the Liberator, the highest honor granted by the Venezuelan Government to foreign personalities.

President Herrera welcomed Turbay and stressed "the need to maintain the cordial relations between the two countries bound by their tradition, geography and democracies."

He noted that Colombia and Venezuela has similar views on common objectives as are the preservation of peace and democracy and the unity of America, under the Bolivian ideal, both regional and continental.

The Venezuelan president invited the Colombian president to consolidate a process of unity above all differences.

"When there are differences in the handling of foreign policy or in bilateral problems, we must act loftily, with dignity and cordiality," he stressed.

Recently Colombia and Venezuela were at odds in matters concerning international policy, such as their stand in the conflict between Great Britain and Argentina over the Malvinas Islands and the approval of the new Law of the Sea agreement in New York.

Turbay expressed appreciation for Venezuelan hospitality and asserted that bilateral relations are on a good path.

Area Power Struggle

PA291343 Buenos Aires LATIN in Spanish 0140 GMT 29 Jul 82

[Text] Bogota, 28 Jul (LATIN-REUTER) -- President Julio Cesar Turbay Ayala said today that extracontinental powers are attempting to turn the democratic countries of South America into targets of a struggle for world power.

Turbay broached the subject during a public ceremony held in San Antonio del Tachira, Venezuela, where he met today with President Luis Herrera Campins.

"I believe that the geopolitical situation of Colombia and Venezuela give them a significant role to fulfill in the hemisphere and in the Caribbean region, without spilling over the borders of intervention," he said.

"We must set an example and render our advice and cooperation wherever necessary. But we must realize that new winds are blowing on the stormy waters of the Caribbean. The peaceful and calm situation of that region has become convulsed and it is not improbable that those winds can -- that is, if the stimuli are not already being strengthened -- fulfill the purpose of extracontinental powers who now want to make us the targets of their aspirations in the struggle for world power," he added.

Turbay did not refer to any country specifically, but recently Colombian Foreign Minister Carlos Lemos Simmonds noted that Colombia clearly saw the attempts of communist penetration in Latin America through Cuba.

President Turbay broke diplomatic relations with Cuba in March 1981 after accusing Fidel Castro's government of arming and training Colombian leftwing guerrillas who were fighting the Colombian Government.

PRESIDENT STOPS ORDER FOR BRITISH AIRPLANES

PA290244 Caracas Radio Continente Network in Spanish 2100 GMT 28 Jul 82

[Report by (Manuel Marquez]

[Text] Following instructions given by President Luis Herrera Campins, Venezuela will not purchase the British Hawk airplanes that it had decided to buy from the British Army. This was reported a short while ago at the Senate by president of the committee, Senator Reloj Pablo Aguilar. The following is a statement made by Senator Aguilar for Radio Reloj Continente:

[Begin recording] The information was very clear. The studies that the Venezuelan Air Force had done led to the conclusion that the best equipment to cover the needs of training and tactical support airplanes would be the British Hawk airplanes. Spokesmen for the air force and the Defense Ministry said this several times to committees and to the country because they had to make public statements. I understand that because of the air force report a contract was drawn for the purchase of a certain number of Hawk airplanes. This was continued until [word indistinct]. However, at some moment, the president -- the president of the republic -- said that he had decided not to [word indistinct] the negotiations. A few days ago the defense minister said that it had definitely been decided not to continue with the negotiations. Those are the main factors and any other interpretation is nothing more than speculation. [end recording]

BRIEFS

FOREIGN CURRENCY RESERVES -- Caracas, 23 Jul (AFP) -- The Central Bank of Venezuela reported today that the country's foreign currency reserves decreased $2.32 billion during the first half of 1982. The reserves stood at $8.62 billion at the end of December 1981 but were down to $6.3 billion on 9 July 1982. The bank cited the decrease in oil income and increasing imports as the principal causes for the decrease of the foreign currency reserves. [Paris AFP in Spanish 1452 GMT 23 Jul 82 PA]

NEW OIL WELLS -- A spokesman for Venezuelan Petroleum [Pedevesa] has disclosed that the 1982 exploration plans for the Venezuelan oil industry include the drilling of 94 wells in the Orinoco belt. He added that 31 wells have been drilled so far, of which 17 turned out to be oil producers. He said that Pedevesa has achieved an 84-percent average drilling success rate since 1979, when the work on the Orinoco belt began. [Caracas Radio Continente Network in Spanish 2100 GMT 19 Jul 82 PA]

GUARD ANNOUNCES NEW PROMOTIONS, ASSIGNMENTS

PA300003 Panama City Domestic Service in Spanish 2130 GMT 29 Jul 82

[Text] The National Guard public relations department announces the latest promotions and transfers within the National Guard:

Lt Col Cecilio Eloy Fisher Valero, national director of the ttaffic and ground transportation department, has been promoted to colonel and appointed deputy chief of staff G-1.

Lt Col Angel Alberto Mina Justiniani, deputy chief of staff G-1, has been appointed national director of the traffic and ground transportation department.

Maj Bernardo Barrera, chief of the 4th Military Zone, has been promoted to lieutenant colonel and appointed chief of the defense and security commission.

Maj Edgardo Lopez Grimaldo, chief of the defense and security commission, has been appointed chief of the public relations department.

Maj Domingo Ocalagan Ayarza, chief of national guard public relations department, has been appointed chief of the headquarters in San Miguelito district.

Maj Fernando Quezada, chief of the Victoriano Lorenzo 5th Company at Fort Amador, has been appointed chief of the 2d Military Zone in Colon Province.

Capt Ruben Dario Mascunana, director of the G-1 sports and recreation department, has been appointed deputy chief of the 2d Military Zone in Colon Province.

Maj Arturo Marquinez, chief of the 2d Military Zone, has been appointed to the general staff office.

Capt Teodoro Alexander, of the Panamanian Air Force, has been promoted to major and appointed to the joint committee as director.

Capt Leonidas Pretelt Vial, of the 6th Military Zone in Cocle Province, has been promoted to major.

Capt Jaime Ricardo Benitez, of G-2, has been promoted to major.

Capt Carlos Arjona Vergara, serving with the presidential guard, has been promoted to major.

Capt Moises Correa Alba, of G-3, has been promoted to major.

Capt Aquilino (Siedro) Murgas of Fort Cimarron, has been promoted to major and appointed chief of the 7th Military Zone in Los Santos Province.

Maj Roberto Armijo, chief of the 7th Military Zone, has been appointed deputy executive chief of the military zone supervisory offices.

Capt Jorge Humberto Correa Munoz, chief of the Panama police San Miguelito headquarters, has been appointed chief of the 4th Military Zone in Herrera Province.

Capt Virgilio Mirones, of G-5, has been promoted to major.

The following lieutenants have been promoted to captain: Carlos Tomas Alvarez, Jose Isabel Rujano, Jose Williams, Lorenzo Escudero Cerrud, Leonardo Cedeno Batista, Carlos A. Bedoya Correa, Hermogenes Nino Ceballos, Ramon Rolando Rodriguez, Marcos Antonio Sotomayor and Andres Espinoza.

TEACHERS, OPPOSITION DEMAND NEW GOVERNMENT

PA290151 Panama City Televisora Nacional in Spanish 2300 GMT 28 July 82

[Text] Tens of thousands of people marched this afternoon in Panama City to express their support for teachers' demands, which this afternoon radically changed to demand the creation of a national reconstruction government.

With the support of political parties opposing the Royo administration, the three teachers organizations, which are maintaining a prolonged strike and organized today's rally, were able to get more people out in the streets than during the protest march in mid-July, witnesses say. During a meeting still underway at the time we drafted this report, the teachers' leadership, which this afternoon changed its wage demands for a radical political position against the government, presented speakers from Cocle, Veraguas, Los Santos and Chiriqui. These speakers all blamed the national corruption of the Royo administration.

Chiriqui leader (Bertildo Mejia) said his province is the enemy of corruption and waste and asked protesters to bury the party in power in the presidential and legislative elections in 1984.

On the basis of the financial scandal surrounding the social security fund, speakers, including (Doris Vargas de Mata), leader of the opposition womens organization Unidad, asked for an open town meeting to elect a provisional government to head what she called a national reconstruction administration and a functional democratic system.

Peasants from Los Santos Province also participated in this afternoon's protest meeting.

PANAMANIAN-VENEZUELAN JOINT COMMUNIQUE RELEASED

PA300234 Panama City MATUTINO in Spanish 29 Jul 82 pp 1A, 8A

[Joint communique on visit to Venezuela by President Aristides Royo, issued 28 July]

[Text] Panamanian President Dr Aristides Royo made a state visit to Venezuela on 27 July 1982 at the invitation of Venezuelan President Dr Luis Herrera Campins. President Royo was accompanied by his wife, Mrs Adela Ruiz de Royo, and distinguished official party.

President Aristides Royo and his party placed a wreath at the national pantheon in homage to Simon Bolivar, the Liberator. He also paid a courtesy visit to the sovereign National Congress, where he met with Dr Godofredo Gonzalez, president of the Congress, and Dr Armando Sanchez Buenos, vice president.

After discussing the main problems of the continent and inspired by the ideas of the Liberator Simon Bolivar, the two presidents decided to issue the following joint declaration.

Latin America has an important role in the defense of world peace, especially in the struggle for the total eradication of colonialism in this geographic region. As a result of this, the two presidents:

Decided to reaffirm the solidarity and full support of their governments and people for the Argentine nation and their aspiration to recover sovereignty over the Malvinas Archipelago.

Agreed on the urgent need to reaffirm the amphictyonic ideals of the Liberator and to find in the principles of unity, integration and solidarity of the founders of our republics the fundamental reason for Latin America becoming a great voice and an important factor in today's world.

Studied attentively the true situation in the hemisphere and concluded that the recent and instructive experience derived from the South Atlantic crisis demands vigorous united actions from the Latin American people and governments and that their representative institutions respond to Latin American interests.

In view of the need for means of cooperation, for solving conflicts and for collective security -- means that will guarantee the permanent sovereignty and the autonomous development of the Latin American people -- the two presidents ratified their decision to support the initiative on a general meeting of Latin American foreign ministers in Panama City, which served as host for the congress of 1826.

Spoke in favor of renewed negotiations in the United Nations to make sovereignty over the Malvinas effective and to secure the withdrawal of the British colonial presence in that part of the American continent.

In analyzing the Central American situation, the two presidents referred to the election processes that have taken place in the region and stated their hope that the advances toward the installation of increasingly broad, participative and stable democratic systems may continue.

Likewise, they noted their hope that the efforts being made to reestablish peace in the region may succeed as a result of dialogues and understanding between the parties.

The Panamanian president recalled his proposal at the United Nations on 14 June 1982, whereby he called for a conference on Central American and Caribbean cooperation and security in which all area countries would participate. The president of Venezuela considered this a positive proposal for detente and security, that it would benefit those countries and that the latter should be consulted.

They analyzed the consequences for Latin America of the coercive economic measures adopted by the EEC, the United States and other industrialized nations against the Republic of Argentina as a result of the Malvinas crisis. In this respect, they concluded that top priority and urgency should be granted to intra-Latin American economic cooperation. They agreed to consult with the other Latin American governments regarding measures that need to be adopted in order to carry out Latin America's collective self-defense.

They deemed it essential to define a strategy whereby Latin America can overcome the problem of its vulnerability and quickly and simultaneously respond to the sanctions of third countries and groups of countries. They also deemed it necessary to work for the unpostponable common goal of strengthening those Latin American organizations which support the process of integral security.

In ratifying their support for the objectives outlined in the Panama agreement, which created the Latin American Economic System (SELA), they expressed their conviction that SELA is the most important Latin American forum aimed at defending and strengthening the common interests of its member states.

They concurred in identifying with those purposes of the Movement of Nonaligned Nations of eradicating all forms of foreign domination, of democratizing international relations and of developing an independent and pluralist orientation which is not subordinate to any one center of power.

Both presidents agreed on the need for the United States to comply strictly with the provisions contained in the Panama Canal treaties.

The president of Venezuela told the president of Panama that he was pleased with the recovery, starting 1 April of this year, of the justice administration, the police function and the penitentiary system in the old Panama Canal Zone. This is a major vindication achieved as part of the decolonization program set under the Torrijos-Carter treaties, and is an example of the strong will of the Panamanian people to exercise their full integrity and sovereignty.

Both presidents asserted that the civilian and military installations still in the Panama Canal Area must be dedicated exclusively to the purposes of operating, protecting and defending the interoceanic waterway.

Both presidents stressed the positive development of cooperation programs between Panama and Venezuela and reiterated the purpose of strengthening ties between both countries.

When the president of Venezuela informed the illustrious visitor from Panama about his government's willingness and committment to arrive at a peaceful settlement with Guyana, President Aristides Royo expressed trust that the controversy will find a negotiated solution, in keeping with the Geneva convention and the principles of international law.

President Aristides Royo acknowledged the generous work of Venezuela within the framework of international cooperation for the benefit of developing countries, which is based on the idea of international justice.

On behalf of himself, his wife and the members of his party, the president of the Republic of Panama expressed to the president of the Republic of Venezuela his heartfelt gratitude for the many expressions of kindness and the warm welcome they were afforded during their stay in Venezuela. He invited the Venezuelan president to pay an official visit to Panama, and the latter accepted with particular pleasure.

Caracas, 28 July 1982. Aristides Royo, president of the Republic of Panama; Luis Herrera Campins, president of the Republic of Venezuela.

BRIEFS

AGREEMENT WITH CHILE -- Chile and Panama will sign technical cooperation agreements in the fields of dairy and beef production, ecology and high-quality fruits and vegetables. A Panamanian delegation is now in Santiago, Chile, to sign the agreement. [Panama City Circuito RPC Television in Spanish 1715 GMT 26 Jul 82 PA]

BANANA LOSSES -- The strong winds that have battered Panama's western region in the past 2 months have resulted in approximately a 3-million balboa loss. The winds felled 750,000 banana trees and caused much damage. [Panama City MATUTINO in Spanish 22 Jul 82 pp 1a, 8A PA]

COSTA RICA

VOLIO TERMS NICARAGUA'S ACTIONS 'IMMATURE'

PA291617 San Jose Radio Reloj in Spanish 1200 GMT 29 Jul 82

[Text] Foreign Minister Fernando Volio Jimenez has termed "immature" the Sandinist government's reaction when three Nicaraguan diplomats were declared personae non grata for participating in terrorist activities in Costa Rica. He said the expulsion of two Costa Rican diplomats from Nicaragua is purely a reprisal, which violates international law because the two Costa Rican diplomats had not broken any law.

Volio added that he considers this a hostile act against the Costa Rican Government. He said the Costa Rican Government took action against the Nicaraguan diplomats because there is reliable proof they participated in terrorist acts and because they were involved in a plot to destabilize our government and disrupt peace. In reply, we have received an unjustified reaction from Foreign Minister Miguel d'Escoto, who is apparently trying to counter the international implications of the Costa Rican Government's decision.

Likewise, Volio said it is hard to understand how the Nicaraguan Government has become involved in these matters, and why instead of presenting excuses they are making charges against Costa Rica.

The Nicaraguan Government is once more resorting to fantasies when D'Escoto says the entire affair is a U.S. plot. Volio asked: When will the Nicaraguan Government realize that Costa Rica is a peaceful country that seeks friendly relations with all nations, and especially its neighbors? He added that Costa Rica is intent on solving its economic, political and social problems, and does not wish to interfere in other nations' affairs.

Denial of Torture Charge

PA290417 Paris AFP in Spanish 1937 GMT 28 Jul 82

[Text] San Jose, 28 Jul (AFP) -- Costa Rican Security Minister Angel Edmundo Solano said today that the signs of injury that Nicaraguan diplomat German Altamirano, who was arrested and expelled from Costa Rica on Tuesday, displayed were not caused by torture but "by a struggle with the authorities at the time of his arrest." The minister added that "I personally talked with Altamirano, and it is true that he was tied up and had marks from blows on his arms." However, the charges of "tortures and mistreatment" made by the Managua diplomat were denied.

"I ordered the National Security Agency (ANS) to investigate the matter, and I was told that the problem occurred at the time of the arrest because the Nicaraguan was carrying two firearms and no one was aware that he was a diplomat," the minister added.

The minister said that "I would like to say it is not a policy of this ministry, and in Costa Rica we are not in the habit of torturing politicians or men such as Altamirano." However, "we have ordered an investigation to guarantee that in Costa Rica no one will be tortured or hurt even though this person is plotting against its democratic institutions."

"In conclusion I would like to point out that the person who led the Altamirano arrest operation was not a U.S. citizen, but a Costa Rican; white and blond but as "Tico" as I am." Altamirano had said that the person who arrested him was a U.S. citizen.

EL SALVADOR

MAGANA EXPECTS ECONOMIC INDEPENDENCE IN 2 YEARS

PA292257 Buenos Aires LATIN in Spanish 1722 GMT 29 Jul 82

[Excerpts] San Salvador, 29 Jul (LATIN-REUTER) -- President Alvaro Magana has predicted that the Salvadoran economy, beleagered by the civil war and the drop in coffee prices, will free itself of dependence on U.S. aid in 2 years. "The economic assistance the United States is providing to us is very significant and important...and if it were a little larger it would help us more easily overcome the difficult times we are experiencing." He told REUTER in an interview.

"It is very possible that it will not be necessary to maintain this aid for much longer. What we really need is important aid this year and next," he added. "After that I expect the Salvadoran economy will generate its own resources," he added.

Magana, director of the Salvadoran Mortgage Bank before becoming president on 1 May, made these remarks a day after U.S. President Ronald Reagan told the U.S. Congress that the Salvadoran Government was making progress in reducing human rights abuses and in promoting reforms in order to insure continued U.S. military aid. Magana said he felt certain that the U.S. Congress would decide in favor of El Salvador in the next few days. There was considerable opposition to continuing aid for El Salvador among the liberal congressmen, who claim that many human rights violations occur in this country.

"...After 2 or 3 years of violence it is very difficult to prevent unfortunate incidents from one day to the next," said Magana. "However, we have made significant advances, and I believe the human rights violations will end forever," he added.

President Magana, a lawyer by profession, blamed the delay in his country's legal system for the apparent lack of progress in bringing to trial six National Guardsmen arrested in connection with the murder of three U.S. nuns and one lay worker. "The investigations are subject to the procedures established by Salvadoran law and criminal processes," he said. He added that "unfortunately we have a judicial system distinguished by its slowness." Magana said the authorities were doing everything possible to speed up the proceedings, but that many steps that must be followed, including witnesses' statements, take time. He did not specify how much time.

CIVIL DEFENSE FORCES KILL FIVE TERRORISTS

PA291929 San Salvador EL DIARIO DE HOY in Spanish 28 Jul 82 pp 2, 30

[Excerpt] At least five terrorists were killed and many more were wounded in a clash with civil defense forces yesterday morning between the turnoff to Mariona and the village of Las Mercedes de Nejapa, north of San Salvador.

According to the report, a group of subversives began to stop all types of vehicles, particularly buses, around 0600. They would make the passengers get out of the vehicles, take their money, distribute antidemocratic propaganda and then let them go.

According to the reports, the terrorists made one passenger get out of a vehicle and then shot him to death in front of the others. A driver who worked for the National Water and Sewer Administration, ANDA, who showed his identification card was also shot to death. At this moment the civil defense force from Nejapa arrived and the clash occurred. The terrorists took away the bodies of their companeros and their wounded, who included some women. A civil defense force member was also wounded.

TERRORISTS IN ILOPANGO AIR BASE SABOTAGE ARRESTED

PA292346 San Salvador EL DIARIO DE HOY in Spanish 29 Jul 82 pp 2, 19

[Excerpts] Another terrorist cell has been smashed by police in San Salvador, according to official information. The terrorists, who were under the direction of Cubans and Nicaraguans, persisted in destroying Salvadoran state property used in the security and development of national life under a democratic system," according to police.

According to a government communique, the arrests were made between 19 June and 12 July. The individuals acted under the slogans of the Marxist leadership of the FMLN and the Revolutionary Democratic Front, FDR. The arrested individuals are:

Oscar Antonio Valencia Coto, 17, student, living at 24 Main Avenue, Santa Lucia Colony, Ilopango. He had been a member of the FARN, Armed Forces of National Resistance, since August 1981 and used the alias "Miguel". He participated in the placing of explosive devices at the headquarters of the air force in January 1982.

Saul Ernesto Galdames, 17, living at "M" Lane, No 22, Santa Lucia Colony, Ilopango. He joined the Farabundo Marti Peoples Liberation Forces, FPL, in June 1981. His alias is "Mauricio." He also participated in the sabotage at the air force base.

Walter Ludwig Flamenco Lopez, 19, student mechanic, residing at 2d Lane, No 29, Santa Lucia Colony, Ilopango. He joined the FPL in January 1981. He participated in the sabotage, using a soldier's uniform.

Manuel Mendez Sanchez, 17, bus fare collector, residing in Las Palmas Colony, San Joaquin Lane, adjacent to Santa Lucia Colony, Ilopango. He joined the ERP, Peoples Revolutionary Army, in January 1979 and used the alias "Julio" but the next year he joined the FPL with the same alias. He also participated in the sabotage at the air force base.

Cesar Edgardo Montoya Villalta, 18, day laborer, residing at 6th Lane, No 47, Santa Lucia Colony. He has been a member of th FPL since April 1977. He uses the alias "Pepe."

Nelson Montoya Villalta, brother of Cesar Edgardo, 18, day laborer, residing at 6th Lane, No 47, Santa Lucia Colony, Ilopango. He joined the FPL in September 1981, using the alias "Luis." He participated in the sabotage at the air force base, providing security for his comrades, who entered the installations dressed in olive drab uniforms.

Salvador Hernandez Hernandez, 17, student, residing in Pelitez village, adjacent to Santa Lucia Colony, Ilopango. He has been a member of the FPL since January of this year, using the alias "Oscar." He also participated in the air force base sabotage.

Emma Lucia Salazar Hernandez, 16 student, from Santa Ana, temporary resident at Plan del Pino Canton, Ciudad delgado. She joined the LP-28 2 years ago. She also participated in the air force base sabotage.

The arrested individuals have been turned over to the military courts. "The police believe it appropriate to take this opportunity to urge parents to be aware of incidents such as those mentioned in this bulletin, in which the so-called popular organizations are using unwitting youths to perpetrate their sinister goals of destruction, which only cause anguish, terror and poverty to Salvadoran society."

[Signed] Information Office, National Police.

GUATEMALA

CABINET EXTENDS STATE OF SIEGE ANOTHER 30 DAYS

PA290402 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 29 Jul 82

[Text] During a meeting of the cabinet this afternoon, the state of siege was extended through the month of August. At a meeting of the cabinet, Gen Efrain Rios, president of the republic, extended the state of siege for another 30 days after 31 July 1982. This implies that we will all remain without rights as citizens during the month of August. The state of siege is being extended because the reasons that gave rise to it still persist, it was reported this afternoon by sources at the National Palace after a cabinet meeting held with President Rios.

GOVERNMENT, BUSINESSMEN ARGEE ON ECONOMY PLAN

PA291447 Panama City ACAN in Spanish 2311 GMT 28 Jul 82

[Text] Guatemala City, 28 Jul (ACAN-EFE) -- Guatemalan Government and private business sectors announced today that they have reached agreement on the urgent need to implement a national emergency plan for the remainder of 1982. One of the plan's objectives is short-term development of the export of nontraditional products so that before the end of the year they can produce some $360 million. Economy Minister Julio Matheu disclosed.

The economic policy to be implemented in the second half of 1982 will also seek price stabilization and reduction of the public deficit to an acceptable level. Other objectives of this plan are to reactivate productive sectors, thereby raising the level of employment, to lessen social imbalances, expecially in the regions most affected by violence and to aid in an efficient reactivation of the Central American Common Market.

The state office for promotion of exports, the national center for the promotion of Guatemalan exports, Guatexpro, has been designated the executive secretariat of the emergency plan. Juan Jose Urruela will be the general coordinator for the private sector. The government has also begun an economic reactivation plan through out the country, Finance Minister Leonardo Figueroa Villate announced.

Gen Efrain Rios Montt and top government officials have met twice with representatives of private enterprises in an effort to find a solution to the ecomomic crisis.

ARMY REPORTS MASSACRE OF PEASANTS BY TERRORISTS

PA200200 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 28 Jul 82

[Text] A total of 40 people, including 18 extremists and 22 peasants from Huehuetenango, died at dawn today during terrorist actions, the army public relations office has reported. Prior to the massacre of the 22 peasants in Chex, a village in Aguacatan municipality, the terrorists carried out a number of acts of sabotage on the Pan-American Highway, the official bulletin adds.

The terrorist actions began at 0100, when an antigovernment commando dynamited the bridges at Selegua (Tres) and Chanjon, at the junction between (Huahuateca), the departmental seat, and La Democracia municipality. The report says that 1 hour later the extremists attacked Chex, 5 KM from Aguacatan, where they killed the 22 helpless villagers. Simultaneously, other antigovernment groups attacked Xococ, Buena Vista and (Patitlan) villages in Rabinal, Alta Verapaz. However, civil self-defense patrols engaged the extremists and killed eight of them, the report adds.

Finally, the army said guerrilla commanders (Raimundo Lopez Alvarado) and (Ambrosio Puchun) died during this last action. It also reported seizing automatic weapons, fragmentation grenades and other equipment from the rebels.

HONDURAS

NO INVITATION TO NICARAGUA SUMMIT RECEIVED

PA300424 Panama City ACAN in Spanish 0255 GMT 30 Jul 82

[Text] Tegucigalpa, 29 Jul (ACAN-EFE) -- The Honduran Government officially announced today that it has not received any invitation from the Nicaraguan Government to hold a meeting of the heads of state of the two countries in order to avoid war. An official statement issued by the Honduran Ministry of the Presidency states that Honduras learned through international news reports about Nicaragua's announcement that it had delivered an invitation to President Roberto Suazo Cordova through a Honduran official.

According to reports datelined in Managua, the call, aimed at holding a meeting of heads of state "to avoid a generalized conflagration presumably promoted by the United States," was delivered at the UN Security Council. It adds that this attitude is "consistent with the campaign of misinformation and discredit against Honduras, which is totally divorced from any honest intention to seek peace in Central America."

The Honduran Government adds that if Nicaragua had any real intention of avoiding "what it regards as an inevitable clash between the two countries," it would have agreed already to international supervision of its territory.

The declaration says Honduras is willing to accept international supervision "in order to prove once and for all who is promoting violence, terrorism, and aggression in detriment of the Central American area."

It also says that if the proposal of the Sandinist government to which the international news media has reported, "was sincere, it would immediately accept general disarmament and an actual and reasonable reduction of its military units and foreign advisers."

The Honduran Government says Nicaragua has more than 5,000 advisers from communist countries and that Commander Daniel Ortega has said that his government "will arm itself to the teeth" to defend its revolution.

"Respect for the principle of nonintervention is incompatible with the Sandinist government's recent statement indicating that Nicaraguan authorities will support the Honduran guerrillas, according to what the Nicaraguan strongman said," the Honduran declaration indicated.

Finally, the Honduran Government again denounced "the biased misinformation campaign carried out by the Nicaraguan Government and warmongering activities to spread violence and terrorism in Central America, as well as the constant provocations against Honduran territory and irresponsible accusations of acts which allegedly take place in Nicaragua carried out by Nicaraguans."

PRESIDENT APPROVES SANCTIONS AGAINST TEACHERS

PA291543 San Pedro Sula LA PRENSA in Spanish 28 Jul 82 p 3

[Text] Tegucigalpa -- President Roberto Suazo Cordova last night gave his approval to the disciplinary measures taken by the Education Ministry to prevent the teachers strike from continuing indefinitely. According to Education Minister Alma Rodas de Fiallos, President Suazo Cordova agreed fully with the measures because he considers the government is in no position to meet the teachers' demands for a wage increase.

Gen Gustavo Alvarez Martinez, Honduran Armed Forces commander in chief, and Col Daniel Bali Castillo, director of the Public Security Forces, FUSEP, also attended the meeting with President Suazo Cordova and Education Minister Rodas de Fiallos.

Nothing was disclosed about the issues discussed at the meeting with the military chiefs. However, it is assumed that they were present to be informed of the government's decision not to give in to the teachers' demands and to put them on alert in case their cooperation is needed to maintain order.

Education Minister Rodas de Fiallos urged all school supervisors in the departments and their assistants to comply with the orders to confirm that teachers are back in school, because from now on they will not get paid if they are absent.

NICARAGUA

PROTEST SENT TO COSTA RICA ON DIPLOMAT'S ARREST

PA291344 Managua Radio Sandino in Spanish 1830 GMT 28 Jul 82

[Text] A few minutes ago the Foreign Affairs Ministry issued a statement regarding the arrest of a Nicaraguan diplomat in Costa Rica. The ministry also reported that it has declared two officials of the Costa Rican Embassy in Managua personae non grata for very serious reasons. Here is a report from Companero Eligio Alvarez:

[Begin recording] With deep surprise, we have received news about the arbitrary arrest of Nicaraguan diplomat German Altamirano, attache of the Nicaraguan Embassy in Costa Rica, in unclear and absolutely reprehensible circumstances. As Your Excellency may realize, the arrest of the Nicaraguan diplomat constitutes not only a flagrant violation of Costa Rica's international obligations on this matter, but also an unwarranted provocation that contradicts the repeated statements by your distinguished government about its avowed intention to preserve and develop the fraternal relations between our two countries.

Upon filing a most strong protest from the Nicaraguan Government with Your Excellency for this violation of the most elementary diplomatic rules, we demand the immediate release of Nicaraguan diplomat German Altamirano, who has been illegally arrested. We also demand punishment for those guilty of this extremely arbitrary action, as well as the pertinent explanations, which Nicaragua is entitled to receive from your distinguished government. [end recording]

Officials' Departure

PA291343 Panama City ACAN in Spanish 0047 GMT 29 Jul 82

[Text] Managua, 28 Jul (ACAN-EFE) -- Euclides Sandoval Noguera and Jesus de Ana Viteri, the Costa Rican diplomatic accredited here who were declared "non grata" Tuesday by the Nicaraguan Government, left today by land for Costa Rica.

According to official sources, Jesus Fernandez Morales, Costa Rican ambassador to Nicaragua, sent the Nicaraguan Foreign Ministry a note reporting on the departure of the diplomats and requesting fuel for the trip. The requested fuel was supplied.

The Sandinist government declared the Costa Rican diplomats personae non grata "for very serious reasons" and also revoked Henry Urcuyo Maliano's acceptance as Costa Rican honorary consul.

Ambassador Jesus Fernandez Morales told LA PRENSA in Managua that "he regretted these diplomatic incidents, although they did not alter the normal relations between the two countries." The head of the Costa Rican diplomatic mission in Managua added that "my government's desire to promote the best relations continues, even though there are events, such as this one, that provoke situations that are not desired."

The Nicaraguan Government requested the immediate departure of the Costa Rican officials after the Costa Rican Government announced the expulsion of German Altamirano, Alvaro Ruiz Tapia and Cairo Acevedo Baltodano, members of the Nicaraguan diplomatic mission in San Jose.

Commission to Costa Rica

PA291342 Panama City ACAN in Spanish 2150 GMT 28 Jul 82

[Excerpt] Managua, 28 Jul (ACAN-EFE) -- A Nicaraguan delegation of 10 government officials left today for San Jose, Costa Rica, to participate in the second meeting of the Costa Rican-Nicaraguan mixed commission in charge of finding a solution to problems that may arise between the two governments.

Augusto Zamora Rodriguez, cabinet chief and director of the Foreign Ministry legal department, heads the delegation. He is accompanied by Commander Roberto Calderon, representing the Defense Ministry, Capt Fernando Caldera, representing the Interior Ministry and Carlos Sequeira, representing the Foreign Ministry.

Foreign Minister Miguel d'Escoto said the Nicaraguan delegation to the mixed commission proves "the government's interest in maintaining open a dialogue with the Costa Rican Government for a prompt solution of their differences."

U.S. GENERAL'S HONDURAS VISIT LINKED TO EXERCISE

PA291822 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 29 Jul 82

[Text] A senior U.S. military officer has arrived in Honduras on a visit that political observers believe is related to the joint exercises being carried out by the Honduran Army and U.S. troops. Gen Fred Woerner, director of U.S. security assistance for Latin America and commander of the U.S. 193d Infantry Brigade, arrived today to meet with Gen Gustavo Alvarez Martinez, commander of the Honduran Armed Forces, and commanders of several Honduran battalions.

The Honduran Government has not disclosed the subjects to be discussed by General Woerner in those meetings. Afterward General Woerner will leave for the Panama Canal, where U.S. planes and troops participating in the joint Honduran-U.S. maneuvers are stationed.

HONDURAN PRESIDENT'S THREATS FOLLOW U.S. VISIT

PA291610 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 28 Jul 82

[Station commentary]

[Text] The imperialist plot to carry out military aggression against the Sandinist people's revolution is taking shape little by little. When our neighbors to the north and south were under their previous administrations, we enjoyed a certain degree of peace while we worked for reconstruction of the country, but now this peace is being seriously threatened. Yesterday Honduras' president spoke about taking up arms to face an imaginary invasion against his country. Today Honduran Foreign Minister Paz Barnica reiterated his unfounded charges about alleged Nicaraguan intervention in Honduras' domestic affairs.

With a suspicious inclination toward blaming our country for aggressions that we don't carry out but have been enduring, Foreign Minister Paz Barnica has gone as far as accusing Father Miguel D'Escoto, his Nicaraguan counterpart, of being a warmonger, despite the fact that no one can have any doubt about D'Escoto's peaceful disposition, born from his moral and Christian convictions.

It has been in Honduras, and not in Nicaragua, that the empire's army has carried out military maneuvers after less than a year for the purpose of threatening the people's achievements.

The Somozist attacks that have brought mourning to dozens of humble Nicaraguan families were launched from Honduras. Clearly hostile statements made by several of the highest ranking Honduran Army officers are a bad omen for peace in the region.

It is no mere coincidence that the Honduran president's alarming statements were made almost immediately after his return from the imperial capital.

Money is powerful, but Mr Money has always been defeated by other misters that our enemies just don't have.

Meeting With Honduras Sought

PA291721 Panama City ACAN in Spanish 1548 GMT 29 Jul 82

[Text] Managua, 29 Jul (ACAN-EFE) -- The Nicaraguan Government today insisted on carrying out an agreed meeting between the chiefs of the armed forces of Nicaragua and Honduras "as a necessary measure" to avoid a "greater and unnecessary" deterioration of relations between the two nations.

The Nicaraguan Government made this call to the Honduran Government through a document Nicaragua's alternate representative at the United Nations, Jorge Canda, gave to the president of the UN Security Council, Guyanese Ambassador Noel Sinclair.

Nicaragua has announced that it is also proposing an "urgent" meeting of the chiefs of state of unspecified countries "to study the present situation" between that country and Honduras. The Sandinist government has urged the U.S. Government to accept negotiations with Nicaragua based on the spirit of a recent Mexican proposal and without any preconditions.

Nicaragua asked the president of the UN Security Council to circulate the note among the member countries as an official UN document. In the document, Nicaragua gives details about recent attacks carreid out by anti-Sandinist units against military positions. The document refers to the foiled 19 July attempt by an unidentified plane to destory fuel storage centers in Corinto, a Nicaraguan port on the Pacific.

The document also refers to the 27 July attempt to use rockets and bombs to blow up the Esso refinery in Managua. This attack was prevented by the Sandinist Air Force, whose planes intercepted the planes that were on their way to destroy the installations.

The Nicaraguan document notes that the increase in anti-Sandinist activities in the country and the actions carried out against military objectives are "aimed at provoking a war between Honduras and Nicaragua." According to the Managua government, the purpose of provoking this war is "to justify greater and more direct intervention against the peoples of Nicaragua and El Salvador." The document notes that the government will respond to anti-Sandinist actions by "making greater efforts to safeguard peace and stability in the area and to guarantee a suitable environment for a negotiated political solution to the problems of the region."

D'ESCOTO LEAVING FOR BEIRUT ON NONALIGNED MISSION

PA290430 Managua Radio Sandino in Spanish 1800 GMT 28 Jul 82

[Text] We are able to report to you that Foreign Affairs Minister Miguel d'Escoto will leave this week for Beirut, the Lebanese capital, to fulfill the main part of his mandate as member of the ministerial committee of the Movement of Nonaligned Countries. Foreign Minister d'Escoto became a member of this committee during the latest meeting of foreign ministers of the nonaligned countries on 17 July in Cyprus.

After the visit to Beirut, Father d'Escoto will travel with the ministerial committee to the capitals of the member countries of the UN Security Council in an effort to find an immediate, fair and overall solution to the constant aggressions and genocide the Palestinian people are experiencing. The outcome of these efforts will be reported to the summit conference of the nonaligned countries scheduled to be held in Baghdad in September.

ARCE SAYS FSLN FOREWARNED OF OUTSIDE ATTACKS

PA290433 Paris AFP in Spanish 1644 GMT 28 Jul 82

[Excerpt] Managua, 28 Jul (AFP) -- Nicaragua "is prepared for whatever comes its way," asserted Commander Bayardo Arce, coordinator of the FSLN Political Commission, at a political rally held in the northern part of country.

Last night Commander Arce attended the installations of the FSLN Regional Directorate in Matagalpa, 125 km north of Managua. One of the things he said here was that "the FSLN leadership has known since last year that the situation in Nicaragua was going to be criticial."

"We know the situation was going to get worse because of the attacks imperialism was going to begin in 1982, and this was why we bought arms: to stop the invasion we saw coming," Arce said.

Further on he said that during recent years religious congregations have increased in Nicaragua which are apparently engaged in teaching the Gospel but are actually trying to destabilize the revolutionary process. "We are in favor of freedom of religion, but we are not going to allow so-called religious sects to confuse the people. It is better for them to leave," Arce indicated.

NEW FSLN REGIONAL COMMITTEES, SECRETARIES LISTED

PA290439 Managua Radio Sandino in Spanish 1830 GMT 28 Jul 82

[Text] Following the decision of the Junta of the Government of National Reconstruction to divide government functions into regions, the National Directorate of the FSLN yesterday took steps to reorganize its party bodies along the same lines.

The junta created six regions and three special zones and in each one appointed a delegate who will report directly to the coordinator of each such region and zone. Pursuant to this process, our revolutionary leadership decided to dissolve or replace the Departmental Leadership Committees [CDD] with a regional committee which will be responsible for directing the FSLN's political, organizational and partisan activities in each region and zone and also named a political secretary in each such area who will act as its representative.

The political secretaries named in each regional committee -- who are also members of the Sandinist Assembly -- are the following:

Regional Committee No 1, Esteli, Neuva Segovia and Madriz	Agustin Lara
Regional Committee No 2, Leon and Chinandega	Marta Cranshaw
Regional Committee No 3, Managua	Commander Dora Maria Tellez
Regional Committee No 4, Carazo, Granada, Masaya and Rivas	Federico Lopez
Regional Committee No 5, Chontales, Boaco, Rama and Nueva Guinea	(Marilu Lacayo)
Regional Committee No 6, Matagalpa and Jinotega	Commander Alonso Porras
Special Zone No 1, Northern Zelaya	Commander William Ramirez
Special Zone No 2, Southern Zelaya	Commander Lumberto Campbell
Special Zone No 3, Rio San Juan Department	Javier Alvarez

The National Directorate also appointed the Party Leadership Committee [Comite de Direccion Partidaria] which will manage the party bodies within the central government's institutions.

It will have the rank of a regional committee and its political secretary will be Companero Carlos Zamora. Companero Rene Nunez Tellez was appointed head of the FSLN's Department of Mass and [word indistinct] organization. Zamora and Nunez are also members of the Sandinist Assembly.

BORGE ON PRE-HEARING DETENTION PERIOD EXTENSION

PA291446 Panama City ACAN in Spanish 0050 GMT 29 Jul 82

[Text] Managua, 28 Jul (ACAN-EFE) -- The interior minister, Commander Tomas Borge, today asked the Council of State to extend the detention period of a person by the state security corps before they are turned over to the judicial authorities.

At present the pre-hearing detention period is 6 days. The interior minister did not specify how long the extension should be.

Before the Sandinist victory, the police authorities had to either release or turn a prisoner over to the appropriate courts after he had been held for 24 hours.

Commander Borge also asked the Council of State to declare a felony the fact of wearing a military uniform while committing a crime.

SOME 400 SANDINISTS DESERT ARMY, JOIN FDN UNITS

PA191752 Panama City ACAN in Spanish 1706 GMT 29 Jul 82

[Text] Tegucigalpa, 29 Jul (ACAN-EFE) -- An anti-Sandinist commando group reported in Tegucigalpa today that some 400 Nicaraguan soldiers deserted from the Sandinist army on Monday and jointed its ranks.

The "27 May Command" of the Nicaraguan Democratic Front, FDN, says in a communique published by the newspaper LA PRENSA and EL HERALDO that the deserters captured 27 Cuban trainers and turned them over to the command.

The communique also says that the Cubans are being investigated and that their names will be revealed to the world. It adds that the deserters are also under investigation, to prevent a massive infiltration.

Furthermore, the communique states that there were 42 wounded soldiers, 7 of them in serious condition, among the Sandinists who abandoned the ranks of the Nicaraguan army.

According to the 27 May Command, 51 of its men had infiltrated the deserters' unit, which was not identified.

PEASANT RECOUNTS CAPTURE, ESCAPE FROM SOMOZISTS

PA292010 Managua Radio Sandino in Spanish 1830 GMT 29 Jul 82

[Text] Under a hail of M-16 bullets fired by former Somozist Guardsmen who had captured him in San Francisco del Norte, young peasant (Hilario Centeno Rodriguez) was able to escape when along with seven others he was being taken to Honduran territory over the weekend. (Hilario) was kidnapped at the place known as (El Guayabillo) on 25 July as he was going by horseback to San Francisco del Norte. The former Guardsmen forced him off the horse and accused him of being the brother of (Centeno Guevara Victotiano), who died shouting the Sandinist slogan "Free Fatherland or Death."

(Hilario) recounted his kidnapping at the Interior Ministry yesterday, stressing the following facts: The Guardsmen identified themselves as members of the Social Christian Democratic Front [Frente Democratico Social Cristiano]. They wore dark blue-green uniforms similar to those used by the Tegucigalpa police. They had heavy weapons, which were being transported by 10 animals traveling behind them. Their food was in small brown packages with white letters. With the Somozists was a peasant traitor named (Juan Jose Amador), who served as an informer.

(Hilario) explained that he escaped as they were passing through a mountainous area, where he jumped off a cliff. They were near (El Zamorano) and Los Limones.

(Hilario) is back with his family and ready to take up a rifle to fight the murders of his brother (Victoriano) and his other friends in San Francisco del Norte. He said he is ready to defend the Sandinist people's revolution.

VENEZUELA INVITES NICARAGUA TO USE SPECIAL FUND

PA281635 Paris AFP in Spanish 0023 GMT 28 Jul 82

[Text] Managua, 27 Jul (AFP) -- It was reported here today that the Venezuelan Government has invited Nicaragua to make use of a $60-million special fund available through the present oil cooperation agreement between the two countries.

The opposition paper LA PRENSA said Venezuelan Ambassador Jose Rafael Zapata reported that his government is urging Nicaragua to continue using the fund, equivalent to 30 percent of Nicaragua's payments for Venezuelan oil.

According to Zapata, Nicaragua has already used a little over half the $125 million it is entitled to for the period 1975-1981 under the terms of the treaty.

He said the funds should be used soon, in view of the worldwide inflation, which raises the fund's interest rates. This fund is to be used for energy development projects, agriculture and livestock programs and in the industrial sector, Zapata said.

Denies Oil Debt Rumors

PA281949 Paris AFP in Spanish 2114 GMT 27 Jul 82

[Excerpt] Managua, 27 Jul (AFP) -- Venezuelan Ambassador to Nicaragua Jose Zapata has said that Nicaragua "does not owe Venezuela money for petroleum purchases," denying rumors here in this respect.

The Venezuelan diplomat denied the report that the fuel rationing established by the Nicaraguan Government last night was caused by Venezuela sending less oil to Nicaragua because the latter "owed millions of dollars to Venezuela."

Zapata said that since Venezuela does not sell petroleum on credit, Nicaragua does not owe his country any money for petroleum.

The rationing of fuel is a very healthy measure that many countries that do not produce petroleum have adopted to prevent the outflow of foreign exchange, the ambassador said.

BRIEFS

NEW DEPUTY MINISTERS -- The government junta on 9 July swore in the following deputy ministers: Roget Vasquez and Nestor Avendano as deputy planning ministers, Fernando Cuevas and Ricardo Chavarria as assistant directors of the Nicaraguan Energy Institute, INE, Jose Maria Alvarado and Bayardo Altamirano as assistant directors of the Nicaraguan Telecommunications and Postal Service Institute, Telcor, and Mayra Pasos as deputy comptroller general of the republic. [Managua EL NUEVO MUNDO in Spanish 9 Jul 82 p 12 PA]

FINNISH GOVERNMENT COOPERATION -- The Finnish Government has granted Nicaragua a credit of 15 million markka, approximately $3.5 million, at 2-percent interest and with an 8-year grace period. The money will be for dairy, farm, forest and energy development programs, the Finnish charge d'affaires, said. [Managua LA PRENSA in Spanish 22 Jul 82 p 14 PA]

CASTRO URGES 'PROMPTEST' ACTION FROM UN

FL291046 Havana Domestic Service in Spanish 1000 GMT 29 Jul 82

[Text] Acting in his role as chairman of the Nonaligned Movement, Commander in Chief Fidel Castro has sent a message to the chairman of the UN Security Council, Noel Sinclair, concerning Israel's invasion of Lebanon.

I write to you again as a result of the continuation and intensification of the criminal Israeli aggression against Palestinians and Lebanese besieged in Beirut. With exemplary heroism, the Palestinians and Lebanese maintain the steadfast defense of their rights and homeland, Fidel's message says. It stresses: The responsibility of all men and women of the world, all governments, and very especially of the UN Security Council, the main task of which is to safeguard world peace, cannot be shunned. It demands of all of us to do our best to stop the genocide of Beirut's population.

The message says the council cannot delay the necessary steps to order that the siege and bombardment of Beirut stop and the Israeli forces unconditionally withdraw from Lebanon.

The fact that the U.S. Government is supporting Israel's actions is no secret to anyone. This support makes it possible for the aggression to continue.

The message adds: This makes it even more necessary to show the international community's repudiation of the genocidal strategic alliance between the United States and Israel whose immediate and repugnant outcome is the attempt to annihilate the Palestinian people and the progressive Lebanese forces.

Fidel's message stresses that on behalf of the Nonaligned Movement, whose decisions recently adopted at the special ministerial meeting of the Coordinating Bureau held in Cyprus demonstrate its repudiation of the aggression and its solidarity with the Palestinian and Lebanese fighters, I request promptest action from the United Nations and the Security Council.

Attached find the eloquent message I received yesterday from Yasir 'Arafat, commander in chief of the Palestinian revolution forces and chairman of the PLO Executive Committee.

OFFICIALS SILENT ON ANGOLAN STUDENT INCIDENT

PA281923 Paris AFP in Spanish 1612 GMT 28 Jul 82

[Excerpts] Havana, 28 Jul (AFP) -- Political observers in Havana today stressed the absence of official Cuban reaction to the report published by the WALL STREET JOURNAL in New York, saying that 2,000 Angolan students were expelled from Cuba last month.

Diplomatic circles here have viewed the report with skepticism. Observers recalled Fidel Castro's speech on Monday on the occasion of Cuban national day, in which he mentioned the presence of Cuban troops in Angola and stressed that Cuba is "Angola's ally."

Quoting sources close to the CIA, the WALL STREET JOURNAL yesterday said that 2,000 Angolan students were expelled from Cuba after they provoked riots on the Isle of Youth last month, causing the death of 5 persons.

MOSCOW WEEKLY INTERVIEWS CARLOS RAFAEL RODRIGUEZ

For the text of an editorial board interview with Carlos Rafael Rodriguez, vice president of the Cuban Councils of State and Ministers, that appeared in the Moscow EKONOMICHESKAYA GAZETA No 30, Jul 82, issue, see the Latin America & Caribbean section of the 30 July Soviet Union DAILY REPORT.

CARICOM MEETING OPENS IN GUYANA; KING'S SPEECH

FL300019 Bridgetown CANA in English 0003 GMT 30 Jul 82

[Text] Georgetown, Guyana, July 29, CANA -- Caribbean Community (Caricom) Secretary General Kurleigh king has declared that facing "a never ending spiral of woes," Caricom countries "more than ever before need the Caricom spirit" of creativity and flexibility to face the rest of the world together.

"If we move together, in step, we may yet survive," he told ministers and other top officials representing the countries of the region at this morning's opening ceremony of the 21st meeting of the Caricom Council of Ministers at the secretariat in Georgetown.

"These are troubled times," said Dr King. "Never before has the world economy been in such a prolongued state of crisis. Not one of the economic giants, the U.S., Western Europe, Japan or the Soviet Union, has met its targets in recent years or can boast of the achievement of its socio-economic objectives.

He added that the peoples of the Caribbean are threatened along with the rest of the world with economic chaos.

"How can we survive when countries stronger and better endowed than we, are facing ruin, irrespective of what developmental ideology they are pursuing?" He asked.

The secretary general listed a series of serious problems facing the region: "Selling prices for the raw materials we export have stagnated and the costs of necessary imports continue to rise as a result of world-wide inflation.

"The balance of payments of most of our countries have not balanced for years and the shortage of foreign exchange reduces our ability to purchase raw materials for industrial production thereby curtailing export earnings and aggravating the balance of payments situation.

"When workers are laid off, reduced incomes lead to slackening demand for goods and services, which creates excess capacity and leads to further unemployment.

"Those who depend on agricultural exports are caught in a vice between the rising costs of their inputs and declining revenues from their sales.

"Would be tourists postpone their holidays for better times but better times won't come for some of us unless the tourists come now.

"Each new problem creates another and because things are bad, they get worse," said Dr King. "The never-ending spiral of woes twists out of control."

He said that the greatest danger now facing the Caribbean is "that we become anaestheized by the battering we receive, bounded by the distressing complexitity of each new assault and do nothing, or worse, behave as if there is nothing to be done." He noted a strong tendency to escape by repeating the same wornout unsuccessful measures hoping that everything will come out right in the end.

"Lulled by self deception we go through the motions mechanically, accomplishing nothing," he said.

The secretary general told the meeting that, faced with the new class of problems, to which there are no text books solutions "we need two things more than anything else, creativity and flexibility."

He added that in the circumstances, integration also provided a new and promising alternative.

"Facing today's hostile environment alone can cause resignation and frustration. Interaction with like-minded colleagues stimulates and strengthens the will," and he added that in a very real sense this integration was what the present meeting of the Caricom Council is all about. "True enough, it deals with tariffs and trade, with production and protection, with investment policy and industrial programming, but behind the agenda items it deals with mutual support and preservation and with creation of new alternatives for action as a result of wider perspectives," he said.

He warned delegates that to sit in the meeting and act as strangers, seeking to gain or maintain advantage at anothers expense would cause them to miss the meaning of Caricom and frustrate its purpose. "Here we face the rest of the world together. We are on the same side," he said. "To be flexible, to make concessions, to compromise is not a sign of weakness but a contribution to combined strength."

Dr King also urged give and take as a means by which "a situation in which everybody loses becomes one in which all stand to gain." He warned that pre-occupation with national problems might tempt countries to try "to go it alone and regard Caricom obligations as one more problem to face." He called instead for a different perspective. "Look again and see your Caricom partners as facing the same crisis of survival as you are," he appealed to delegates.

"If we move together, in step, we may yet survive," he concluded.

JAMAICA

MEASURES ANNOUNCED TO BOLSTER ECONOMIC RECOVERY

FL291840 Bridgetown CANA in English 1744 GMT 29 Jul 82

[Excerpts] Kingston, Jamaica, July 29, CANA -- Jamaica's prime minister, Edward Seaga, has announced a series of new and tight measures, hoping to significantly curb the activities of the unofficial currency market and the inflow of illicit goods which he says has been adversely affecting his government's efforts at economic recovery.

Mr Seaga announced the controls in Parliament last night, warning that if the seepage of foreign exchange and illicit imports were allowed to continue they would "not only upset the delicate balance of policies but certainly undermine our chance of economic recovery."

The area of greatest leakage of foreign exchange is the tourist sector from which, according to Mr Seaga, the Bank of Jamaica (central bank) has reported that lodgements were "below the accepted level of intake, bearing in mind the dramatic increase in visitor arrivals over the past 18 months."

Official figures show the Bank of Jamaica's receipts from the tourist industry in 1981 as 168.3 million dollars (U.S.) -- a five percent rise on the previous year -- while the Ministry of Tourism's estimated earnings were at 290 million dollars (U.S.) or 19 percent higher than 1980.

The prime minister said that there would also be a tightening up on the foreign exchange leakage through the Kingston free zone and an accompanying ministry paper said the companies operating there would in the future be required to submit monthly reports to the zone's management, which would allow the BoJ to match export earnings against foreign exchange lodgements.

Mr Seaga said: "When we decriminalised foreign exchange transactions which took place outside the formal banking system this was the primary objective of facilitating the repatriation of illegally exported dollars. "The level of imports by way of no-fund licences (for which importers do not call on the central bank for foreign exchange) for non-oil, non-bauxite products which amounted to 348 million dollars (U.S.) for the calendar year 1981 is an indication that this arrangement has been in a large measure successful", Mr. Seaga said. What was now being done was to ensure that money was not siphoned off, either into the parallel market or to unauthorised foreign accounts "where it cannot contribute effectively to national growth", Mr Seaga said.

Mr Seaga complained that illegal imports were depriving the government of much needed revenue and also placed local manufacturers, especially those in the garment and footwear industries, at disadvantage "at a time when they are not ....prepared to meet the challenge of competitive imports." To deal with the problem, the government is to expand facilities at the port for the stripping of containers, to tighten security at the sea and airports, and to step up efforts to ensure that all customs duties were paid, Mr Seaga said.

The government is also to clamp down on travellers who attempt to bring commercial goods into the country as personal effects. It is also banning the importation of vehicles by private individuals and in the future such imports will be done through authorised dealers.

Mr Seaga said imports by individuals were detrimental to the economic recovery programme as they introduced vehicles that were fuel deficient and increased the variety of spare parts, which also cost foreign exchange.

TRINIDAD & TOBAGO

TRINIDAD UNABLE TO AID OTHER CARIBBEAN COUNTRIES

FL202145 Bridgetown CANA in English 2018 GMT 29 Jul 82

[Text] Port-of-Spain, Trinidad, July 29, CANA -- Oil-rich Trinidad and Tobago has been forced to reasses its financial commitment to its less fortunate Caribbean neighbours because of falling petroleum prices and the decline in local production of bitumen products, a senior government minister has said.

Minister of Industry Desmond Cartey said during a meeting here with visiting European Economic Community (EEC) Commissioner for Development Edgar Pisani: "While Trinidad and Tobago is, in a sense, more fortunate than most other Caribbean countries in so far as our earnings from the petroleum sector have helped us to cushion declining revenues from exports and other commodities and manufactured goods, nevertheless, falling oil prices together with declining local productions of bitumen products is forcing us to reassess our role in the Caribbean."

"So far our good fortune has enabled us to develop our oil bitumen and fertilizer facility which has been warmly welcomed by our Caribbean partners," he added. He said that Trinidad and Tobago's ability to continue its level of assistance would depend to a large extent on "what happens to our total export earnings in the next few years." He said it was because of this that the government had recently ordered a complete appraisal of its export potential. Mr. Cartey added: "The problems which our country faces with respect to sugar production are only too well known with the result that for the second year in succession we have had to declare a shortfall to meet our EEC quota."

Mr Cartey said that government was considering measures aimed at reorganising the sugar industry to make it less export-oriented. "As our discussions progress, we would like to focus perhaps on the impact which the Caribbean Basin initiative of the United States can in fact have on the Caribbean economies and hopefully to gain some better understanding as to the prospects which your commission's efforts, together with the United States initiative, can have in shaping a better Caribbean," the minister said.

Mr Cartey stated that African Caribbean and Pacific (ACP) trade with the EEC had not increased since 1975. "It is clear therefore, in the ranking of needs of the ACP countries, measures to develop trade should be paramount," he added.

The minister said that Trinidad and Tobago would want to support the proposal that the Stabex mechanism be extended to include new products and that the resources of the Stabex itself might be increased. Under the Stabex arrangement ACP countries export earnings on a range of commodities upon which their economies depend are guaranteed during time of natural and other disasters.

Mr Cartey, who met an EEC delegation this week headed by the EEC commissioner for development, said that some mechanism might have to be set up to replenish Stabex funds.

BRAZIL

BRIEFS

NEW EMBASSY IN CAMEROON -- Yaounde, 5 Jun (AFP) -- Brazil today became the first Latin American country to establish an embassy in Cameroon. Augusto Estellita Lins, the Brazilian charge d'affaires, this morning presented copies of his credentials to Paul Dontsop, the minister of state for foreign affairs. [Paris AFP in Spanish 1911 GMT 5 Jun 82 PY]

NEW OIL FIELD -- Rio de Janeiro, 25 May (TELAM) -- Petrobras President Shigeaki Ueki today announced the discovery of a new oil field at the Campos Basin, on the Rio de Janeiro coastline. Six wells will be drilled in the area, which was designated as Polo Nordeste, to determine the production potential of the area. [Buenos Aires TELAM in Spanish 1209 GMT 25 May 82 PY]

CUBA

WAYS TO DEVELOP TRADE WITH ARGENTINA REVIEWED

FL292123 Havana Domestic Service in Spanish 2005 GMT 29 Jul 82

[Text] In Buenos Aires, a Cuban trade delegation together with Argentine authorities is examining the development of trade, the possibility of industrial reciprocity [complementacion industrial] and cooperation between the two nations in production. The delegation headed by Vice Foreign Trade Minister Amadeo Blanco voiced interest in a greater participation of Cuban products in the Argentine market as well as in the purchase of livestock-agricultural products of that South American country.

In recent days Aregentine industrialists have shown great interest in developing contacts with the Cuban mission, and the possibility of visits by that nation's industrialists to our country has been evaluated. The decision to jointly examine various aspects of industrial reciprocity and productions in cooperation was reached by the two sides.

ECUADOR

CEPE GENERAL MANAGER VIEWS OIL PRODUCTION

PA281704 Quito Voz de los Andes in Spanish 1130 GMT 28 Jul 82

[Text] Jorge Pareja, general manager of the Ecuadorean State Petroleum Corporation [CEPE], has announced that the (Suara) oil field will start oil production effective this weekend. He added that the (Secoya) and (Charapa) fields, located in northeastern Ecuador, will begin oil production in the first half of August. This crude will be available for export after several technical processes have been performed, he noted.

Pareja said that the (Suara) field will begin production with a 3-day delay, because it was originally planned for 28 July. However, this delay means nothing in a project of this magnitude. He added that all the lines will be in operation by late September, and all the hydrostatic tests required prior to export will have been completed.

The CEPE general manager also said the CEPE production will be frozen from 1983 to 1986. He said that beginning in October Ecuador will have an additional 25,000 barrels per day for exports which will be added to the 15,000 barrels per day already palnned for next year. In total, he said, there will be 40,000 barrels, but apart from that there will be no more increases until 1986 unless there is a secondary recovery at (Achuchufindi).

GUYANA

WPA DEMONSTRATIONS PROTEST FOOD SHORTAGES

FL291220 Bridgetown CANA in English 1139 GMT 29 Jul 82

[Text] Georgetown, Guyana, July 29, CANA -- The opposition Working People's Alliance (WPA) has reported that over the last weekend, it held protest demonstrations in several towns along the coastal sugar belt and in the bauxite mining towns protesting the serious shortage of essential items, especially flour and milk, due to Guyana's chronic foreign exchange shortage.

In Georgetown and elsewhere, the protesters held large red and black banners that read "Stop starving us out" and handed out leaflets to shoppers.

Three main demands listed in the handouts were that government provide a full supply of all essential foods, set up a school feeding programme and provide a full supply of feed for the local livestock industry endangered by a recent halt in imported feeds.

"Today there is no bread, milk, sugar, rice, salt, cooking oil, peas, cereals, butter, margarine, cheese, saltfish or saltmeat in the shops," the WPA handout read.

"There is no soap, toilet paper, toothpaste or matches in the shops. There is no baby food, no drugs in the hospitals and no medicines in the drug stores.

"The regime is taking advantage of Guyanese disunity and weakness to bully and starve us out, but they do not have the right to decide what we will eat," the WPA declared.

The handouts also called for a non-racial struggle by popular organisations, political parties and trade unions to help in the "people's self-defence against poverty, sickness and hunger imposed by the dictatorship."

A release issued by the party said thousands of people all over the country had seized the opportunity of the protests to show their opposition to the shortages.

"The WPA and the people of Guyana will continue the fight against the hunger imposed by the Burnham dictatorship," it said.

SURINAME

BRIEFS

MINISTERS APPROVE BUDGET -- Paramaribo, Suriname, July 29, CANA -- The Suriname Council of Ministers has approved a national budget for the 1982-83 fiscal year of 425 million (U.S.) dollars, but there is an anticipated deficit of 25 million dollars, the government information service said. Because of the anticipated deficit, the government has appealed to the various ministries to review their expenditures with a view to effecting savings and reducing the deficit, the statement added. [Text] [Bridgetown CANA in English 1135 GMT 29 Jul 82 FL]